



Wilfried  
**Martens Centre**  
for European Studies

# The Renewal of Vows

A New Transatlantic Chapter  
for Europe and America

**Constantine Arvanitopoulos**



Installing...





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# Credits

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The Wilfried Martens Centre for European Studies is the political foundation and think tank of the European People's Party (EPP), dedicated to the promotion of Christian Democrat, conservative and like-minded political values.

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# Table of Contents

About the Martens Centre	04
About the author	06
Executive summary	08
Introduction	12
The formative period and the Cold War	16
Common values and interests	17
US policy towards Europe	18
Conflicting paradigms of power	19
New transatlantic challenges	22
Transatlantic relations under Trump	27
The European reaction	29
The case for a strong transatlantic partnership	32
New transatlantic grand bargain	38
Policy recommendations	44
Conclusion	48
Bibliography	50

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# About the Martens Centre



The Wilfried Martens Centre for European Studies, established in 2007, is the political foundation and think tank of the European People's Party (EPP). The Martens Centre embodies a pan-European mindset, promoting Christian Democrat, conservative and like-minded political values. It serves as a framework for national political foundations linked to member parties of the EPP. It currently has 31 member foundations and 2 permanent guest foundations in 25 EU and non-EU countries. The Martens Centre takes part in the preparation of EPP programmes and policy documents. It organises seminars and training on EU policies and on the process of European integration.

The Martens Centre also contributes to formulating EU and national public policies. It produces research studies and books, policy briefs and the twice-yearly *European View* journal. Its research activities are divided into six clusters: party structures and EU institutions, economic and social policies, EU foreign policy, environment and energy, values and religion, and new societal challenges. Through its papers, conferences, authors' dinners and website, the Martens Centre offers a platform for discussion among experts, politicians, policymakers and the European public.

**About the author**



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On November 2011 he was appointed Alternate Minister of Education in the coalition government of Lucas Papademos. From June 2012 to June 2014, he served as Minister of Education, Culture and Sports in the coalition government of Antonis Samaras. His latest book is on European Liberalism. He is currently writing a book on international relations.

# Executive summary



Since the end of the Second World War, every US administration has promoted European recovery, transatlantic cooperation and joint defence. Common interests, together with common principles and values, constituted the bedrock of the post-war partnership between Europe and the US. NATO became an alliance of both interests and values. Throughout the Cold War there were occasional rifts or misunderstandings. From time to time the alliance has come under strain due to differences over policy, diverging interests in other parts of the world, disagreements on burden sharing and misperceptions that arose because of the unsynchronised nature of the historical development of the two continents. Yet despite occasional disagreements, the alliance has not only held together but become the basis of the Western liberal order, which many countries from around the globe have joined.

Today, however, the transatlantic partnership is facing a new series of challenges. Of these, two are of particular importance: one external, the other internal. The external challenge concerns the rise of two great revisionist powers, Russia and China, as well as Islamic terrorism. The internal challenge is the declining willingness of the US to defend the international order it created and the fracturing of the core of this system. These global shifts are forcing the Atlantic partnership to re-examine its common interests, its common values, its capabilities and its strategic objectives. Both sides of the Atlantic are in the process of redefining their role in the emerging world order. US President Donald J. Trump has shown a tendency to define US interests in a narrow way, disregarding those of its long-standing allies. American interest in Europe started to decrease with President Barack Obama's 'pivot to Asia' in 2012. But it is Trump's rhetoric and the conflicting signals he has been sending that have seriously strained the transatlantic partnership. Under Trump, the US seems to be abdicating its global role and responsibilities, and certainly its commitments to Europe. In response, its abandoned European partners are exploring their alternatives.

This author believes, however, that the current turbulent phase will not create an irreparable rift between the two sides of the Atlantic because the long-term structural factors that have held them together throughout the years still remain intact. First, both sides still subscribe to the common ideals of liberal democracy and free markets. The 'Western ideal' may be an embattled concept, but it still remains attractive for many countries. Democracy and the free-market economy remain to this day the best and safest paths to prosperity and peace. Second, the US and Europe face a new set of common threats that bind them together. This paper argues that there is a need for a new grand bargain that would lead



to a more equal transatlantic partnership. The goals are stronger trade relationships through revitalised negotiations for the Transatlantic Trade and Investment Partnership (TTIP) and a more even defence relationship that addresses both the question of burden sharing and the disparity in military capability between Europe and the US. More specifically, Europe and the US need to draft a renewed transatlantic agenda that provides a coherent and comprehensive strategy for the transatlantic partnership in the twenty-first century. Political consultation needs to be strengthened at all levels, as does the institutional nexus of the Atlantic partnership. A strong transatlantic partnership is the only way to keep the pendulum from shifting away from the West and its ideals.



# Introduction



The world is in the midst of a systemic transition. The rise of populism, illiberal democracies and autocratic powers is challenging the liberal order and the value system of the West and the transatlantic community. Power is not only shifting horizontally to non-Western powers; it is also 'shifting vertically to non-state actors, including transnational insurgents'.<sup>1</sup> This horizontal power shift raises concerns because it is not only about capabilities but also about culture and values. In demographic terms the transatlantic space already faces a relative decline. Some argue that it faces a relative decline in economic terms as well. China displaced the US as the world's leading manufacturer in 2010 and widened its lead in 2013.<sup>2</sup> China is already the second-largest economy in the world and is predicted to overtake the US as the world's largest economy by 2029. Furthermore, the steady decline of the dollar as the global reserve currency is putting a strain on the global hegemony of the US, with non-Western countries holding 75% of the world's foreign exchange reserves.<sup>3</sup> Indeed, some argue that the pendulum of power is moving eastwards, driven by the rise of China, while the Euro-Atlantic world is declining in importance.<sup>4</sup>

The Western liberal order and the existing structure of the international system are facing numerous serious challenges. These include the challenges posed by the rise of China, an assertive and revisionist Russia, and the diffusion of power to transnational insurgents who justify violence in the name of religion. These developments cannot leave transatlantic relations unaffected. They have tremendous implications for Western security and the emerging global order.<sup>5</sup>

Both sides of the Atlantic are in the process of redefining their role in the newly emerging world order. For the first time since the Second World War, a US administration is defining its interests in a very narrow way, in total disregard of those of its long-standing allies. America's interest in Europe started to decline under President Barack Obama. His 'pivot to Asia' in 2012 was coupled with this decline. It happened at a time of rising Russian assertiveness and adventurism, which the world has witnessed

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<sup>1</sup> C. Reus-Smit, 'Cultural Diversity and International Order', *International Organization* 71/4 (autumn 2017), 2.

<sup>2</sup> D. Meckstroth, 'China Is the World's Largest Manufacturer and by an Increasing Margin', Policy analysis (Washington, DC: Manufacturer's Alliance for Productivity and Innovation, 2013).

<sup>3</sup> S. F. Szabo, 'Global Atlanticism: Transatlantic Relations and the Global Shift', in N. Tzifakis (ed.), *International Politics in Times of Change* (Brussels: Springer, 2012), 49. See also C. Layne, 'US Decline', in M. Cox and D. Stokes (eds.), *US Foreign Policy*, 2nd edn. (Oxford: Oxford University Press, 2012).

<sup>4</sup> F. Heisbourg, 'Knowledge Holds the Key to French Defence', *Financial Times*, 19 June 2008.

<sup>5</sup> P. Molyviatis, 'The New Europe and the New American Administration', in C. Arvanitopoulos (ed.), *US-European Relations Under the Bush Administration* (Athens: Sideris Publishers, 2001), 35.



in Ukraine and Russia's subversive activities in the rest of Europe. However, it is President Donald J. Trump's rhetoric and the conflicting signals he has been sending that have strained transatlantic relations and threaten their long-term prospects. Under Trump, the US seems to be abdicating its global role and responsibilities—while, for the first time, its alarmed European partners are discussing the possibility of European strategic autonomy. Those global shifts will force the Atlantic community to re-examine its common values, its goals and its capabilities.

In the wake of the UK's decision in 2016 to leave the EU, and the broader onslaught of populism and nationalism, Europe is trying to maintain its cohesion while completing the construction of the institutions at the heart of the European project. In essence, Europe has returned to the fundamental existential dilemma of unity versus diversity. 'It finds itself suspended between a past it seeks to overcome and a future it has not yet defined.'<sup>6</sup> In a world of emerging continental regional structures, Europe needs to complete its transition to a regional unit in order to define its global role. It faces, basically, three choices: 'to foster Atlantic partnership; to adopt an ever-more-neutral position; or to move toward a tacit compact with an extra-European power or grouping of them.'<sup>7</sup>

It is the premise of this study that Europe must remain part of the Atlantic community and strive for a stronger Atlantic partnership. Europe cannot afford to turn inward, self-consumed by its internal affairs and feelings of self-righteousness. At a time when the new order is under construction, it cannot turn inward without running the risk of being engulfed by developments it has not helped shape. The US, in turn, must stick to its global role and to its leadership of the liberal order through a new transatlantic bargain. It cannot simply abdicate its global responsibilities, withdrawing into splendid isolation and adopting a policy of selective engagement on the basis of narrowly defined national interests. While it is arguable that such a choice might have short-term benefits, the long-term consequences could be grave for the security of the West and of the US itself. 'The United States, if separated from Europe in politics, economics, and defence, would become geopolitically an island off the shores of Eurasia, and Europe itself could turn into an appendage to the reaches of Asia and the Middle East.'<sup>8</sup>

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<sup>6</sup> H. Kissinger, *World Order: Reflections on the Character of Nations and the Course of History* (New York: Penguin Books, 2014), 94.

<sup>7</sup> *Ibid.*, 93.

<sup>8</sup> *Ibid.*, 95.



One cannot simply assume that the Atlantic partnership will continue to exist. There is a need for a new transatlantic bargain that will reflect the new realities in transatlantic relations. What is needed is a new grand bargain that will reaffirm the common values and interests, and address the new challenges and threats.

This paper draws upon historical records and secondary sources in an attempt to interpret the current state of US–European relations and offer policy recommendations for the future. Its purpose is not to provide new facts but rather ‘to pick up the other end of the stick. That is handling the same data as before, but placing them in a different framework.’<sup>9</sup>

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<sup>9</sup> T. S. Kuhn, *The Structure of Scientific Revolutions* (Chicago: Chicago University Press, 1970), 88.

# The formative period and the Cold War



# Common values and interests

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If we study the historical trajectory of transatlantic relations from the formative years that followed the Second World War to the end of the Cold War period, we can discern certain attitudes and trends that characterised the transatlantic alliance and shaped events for a long period of time. In the aftermath of the Second World War, early American attempts to build a cooperative framework of relations with the Soviet Union quickly failed. American policymakers became convinced of the aggressive nature of the Soviet Communist regime and of the need to deter it. The ensuing Cold War took place in what was in essence a bipolar world. The two emerging superpowers, the US and the USSR, formed alliances throughout the globe to balance each other's power. It was in this context that American policymakers incorporated Western Europe in their struggle against Soviet Communism. Thus, the transatlantic partnership as we know it was a product of the Second World War and the outbreak of the Cold War.

The transatlantic community constituted the bedrock of the post–Second World War Western liberal order, which was backed by American power and gave us several decades of security and growth. Dean Acheson, one of the architects of the post-war American grand strategy, left us a description of the birth of this order.<sup>10</sup> Great leaders opted for an international order built around a nexus both of treaties, such as the Bretton Woods Agreement, and of institutions, such as the UN, the International Monetary Fund, the World Bank and the World Trade Organization. As Acheson put it, ‘detering the Soviet threat required the creation of strength throughout the free world that would show the Soviet leaders by successful containment that they could not hope to expand their influence throughout the world.’<sup>11</sup> It was an order based on liberal democracy, the rule of law, free trade and open economies. This order embodied many of the principles contained in the Atlantic Charter, which was signed in 1941 by US President Franklin D. Roosevelt and UK Prime Minister Winston Churchill even before the US had formally entered the war. US leaders understood at the time that rather than constraining their power, these institutions actually magnified it.

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<sup>10</sup> D. Acheson, *Present at the Creation: My Years in the State Department* (New York: W. W. Norton & Company, 1969).

<sup>11</sup> Quoted in G. Allison, ‘The Myth of the Liberal Order’, *Foreign Affairs* 97/4 (July–August 2018), 129.



Transatlantic relations have flourished on the basis of common interests. For one reason or another, the US found itself deeply involved in two European wars within a generation. It became an accepted proposition that the US had a right to become involved in Europe's post-war reconstruction, and an interest in doing so. America became a European power, or at least an offshore balancer.<sup>12</sup> The traditional aversion to the Byzantine politics of the Old World was overcome for reasons of national interest, national security and economic advantage. European unity became a major US foreign policy objective after the Second World War. Support in Europe and the US for European unity rose dramatically with the beginning of the Cold War. In the emerging bipolar structure that characterised the Cold War, the strengthening of Western Europe became a vital interest of both Western Europeans and Americans.

## US policy towards Europe

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During the Cold War period, many analysts and policymakers in Washington believed that East–West issues were high on the US agenda, that they constituted the bedrock of US foreign policy. According to this view, US policy towards Europe was subsumed under the broader East–West relations. US–European relations were derivative of a wider, more strategic relationship, that between the US and the Soviet Union. As a result, for most of the Cold War period, transatlantic relations proved resilient in times of tension, but exhibited signs of strain in periods of détente. When the strains in East–West relations eased somewhat, diverging interests on a number of issues—such as energy, the Middle East, Africa and Latin America—would surface between the two sides of the Atlantic. All these differences were relegated to the back burner during periods of tension, only to regain prominent status in times of détente.

After the end of the Second World War, the initial goal of US foreign policy was to establish a basis for cordial cooperation with the USSR, and not with Western Europe. The US tried to establish friendly relations with the Soviets, and in this context we had the Potsdam agreement on Germany, the Yalta accords with respect to Eastern Europe and so on. It was when this initial objective proved unwork-

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<sup>12</sup> R. Holbrooke, 'America, a European Power', *Foreign Affairs* 47/2 (March–April 1995). 'Offshore balancing' refers to a strategy whereby a great power uses favoured regional powers to check the rise of potentially hostile powers.



able, due to Soviet aggression, and East–West relations became confrontational, that Western Europe became the focal point of US foreign policy. It was the outbreak of the Cold War in 1947 that brought about the reprioritisation of US foreign policy. The result was a concerted strategy evident in a series of policies that supported closer integration in Western Europe: the Foreign Assistance Act of 1948, which launched the European Recovery Program (the Marshall Plan); the Organisation for European Economic Cooperation, which provided the stimulus for Western European economic liberalisation and economic Co-Operation; support for the European Coal and Steel Community, the European Economic Community, and the rearmament of the Federal Republic of Germany and its integration in Western Europe; and the North Atlantic Treaty, through which the US committed itself to guaranteeing the defence of Europe.

## Conflicting paradigms of power

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Americans' global vision differs from that of Europeans. Europeans have a pluralist and constitutionalist view of global affairs. They are suspicious of the American hegemonic paradigm of a unipolar world.<sup>13</sup> These differences can be seen in the ways in which the US and Europe conduct foreign policy. The US uses power whereas Europeans prefer negotiations. Some argue that the two sides no longer share a common strategic culture. Europeans feel that Americans 'generally see the world divided between good and evil, between friends and enemies, while Europeans see a more complex picture.'<sup>14</sup>

According to Robert Kagan, Americans are from Mars and Europeans are from Venus. Even if one subscribed to this oversimplified version of the two sides' different outlooks and conduct in world affairs, one would have to allow that things were not always like that. The picture is a snapshot of a particular historical juncture and of the asymmetry in power which belongs to that time. After all, the idea of power politics was born on the European continent and was put into practice for centuries when Europe was the epicentre of power—at the time when the US, then in its formative years, favoured isolationist poli-

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<sup>13</sup> R. Kagan, *Of Paradise and Power* (New York: Vintage Books, 2003), 4

<sup>14</sup> *Ibid.*, 4–5.



tics. It is this particular process of historical development, in which the histories of the two sides are similar and yet largely unsynchronised, that sometimes highlights the differences in approach.<sup>15</sup> It is, in essence, the different approaches to politics followed by the weak and the powerful, which Thucydides brilliantly described in the famous dialogue between the Athenians and the Melians.<sup>16</sup>

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<sup>15</sup> M. Lerner, *America as a Civilization* (New York: Simon and Schuster, 1957).

<sup>16</sup> Thucydides, *The History of the Peloponnesian War* (Chicago: University of Chicago Press, 1959), Book 5.



# New transatlantic challenges



The victorious end of the Cold War brought about a sense of triumphalism and complacency in the West. Francis Fukuyama made a powerful case for the triumph of liberal democracy and capitalism, and the end of conflict. It was not just the end of the Cold War, he argued. Rather, it was the end of history: ‘The end point of mankind’s historical evolution and the universalization of Western liberal democracy as the final form of human government.’<sup>17</sup> In *The Lexus and the Olive Tree*, columnist Thomas Friedman went even further, arguing that technology, capital and information were transcending conflict by levelling old geographical boundaries and geopolitical notions.<sup>18</sup> Later on he would argue that when a country reaches a level of economic development where it has a middle class strong enough to support a McDonald’s network, it would not be interested in fighting wars any more.<sup>19</sup>

These notions of the end of history were conveniently embraced by elites on both sides of the political spectrum. They led ‘to an odd coupling of neoconservative crusaders on the right and liberal interventionists on the left. Together, they persuaded a succession of U.S. presidents to try to advance the spread of capitalism and liberal democracy through the barrel of the gun.’<sup>20</sup> As powerful as they sounded at the time, these notions have proved to be unfounded. ‘As is now clear, the end of the Cold War produced a unipolar moment, not a unipolar era.’<sup>21</sup> The West may have prevailed in the Cold War, but its victory has not translated into a global spread of the Western liberal order. To the contrary, the West is facing new challenges, and revisionist powers are threatening anew its transatlantic core.

Transatlantic relations are facing two significant sets of challenges, one external and the other internal. The external challenge concerns the rise of two great revisionist powers, Russia and China, that are trying to reshape the global balance of power to their advantage. The internal challenge is twofold: the declining willingness of the US to defend the international order it created and helped sustain after 1945, and the fracturing of the core of the liberal order. For decades challenges to this order were averted by the deterring effect of a system of US-led alliances and institutions. The unity of the democratic world at its ideological and economic core and the security guarantee of the US worked well in Europe and in Asia. The Trump administration has shown little willingness to support the institutional nexus of the

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<sup>17</sup> F. Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

<sup>18</sup> T. L. Friedman, *The Lexus and the Olive Tree* (New York: First Anchor Books Edition, 2000).

<sup>19</sup> T. L. Friedman, ‘Foreign Affairs Big Mac I’, *The New York Times*, 8 December 1996.

<sup>20</sup> Allison, ‘The Myth of the Liberal Order’, 130.

<sup>21</sup> Ibid.



Western liberal democratic order that has been in existence since 1945. Declining US commitment to sustain this order has led to allies and partners groping for alternatives or seeking to accommodate the rising challengers. It was characteristic of this state of affairs that, after a G7 meeting whose participants were haunted by Brexit and perplexed by Trump, German Chancellor Angela Merkel would say: ‘The era in which we could fully rely on others is over to some extent. We Europeans truly have to take our fate into our own hands—naturally in friendship with the United States of America, in friendship with Great Britain, as good neighbors with whomever, also with Russia and other countries.’<sup>22</sup>

In recent years other internal developments have also challenged the very core of the liberal democratic order. The financial crisis and the backlash against globalisation have posed new challenges to the Western liberal order and the basis of the transatlantic partnership. Exacerbated economic inequalities, blamed on globalisation and automation, have altered societal stratification, creating new haves and have-nots. New waves of immigration have caused a demographic and cultural panic. Technological advances have created a new divide in society, between the technologically literate and illiterate, and a new kind of technological unemployment. Frustrated and alienated, those left behind by change have directed their anger at mainstream politics. The disdain for politics-as-usual and for political correctness has empowered populist leaders and parties. Leaders from Trump to Nigel Farage, Marine Le Pen and Beppe Grillo have run against status quo politics. They have tried to manipulate this anger with and disappointment in government, the establishment, corruption and nepotism, stagnating salaries and rising unemployment.

The populist surge is based on economic protectionism, xenophobia, anti-immigration and anti-globalisation policies. The populists have also capitalised on the return of identity politics. When threatened, people tend to resort to fundamental values intrinsic to their identity. The resuscitation of populism, nationalism and tribalism, aided by weak leadership and developments in technology and communications, has worn down traditional political parties and brought about a loss of faith in government, capitalism and democracy. Kagan argues that this crisis of confidence affects not only democracies but also what he calls the liberal enlightenment project, which ‘elevated universal principles of individual rights and common humanity over ethnic, racial, religious, national or tribal differences.’<sup>23</sup>

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<sup>22</sup> G. Paravicini, ‘Angela Merkel: Europe Must Take Our Fate in Our Own Hands’, *Politico*, 28 May 2017.

<sup>23</sup> R. Kagan, ‘Backing into WWII’, *Foreign Policy*, 6 February 2017, 6.



A new dividing line is being formed. On the one side are democracies that respect freedom, human rights, free markets and free trade. On the other side, one finds illiberal democracies, autocratic regimes with state-controlled or oligarchic economies, and protectionist policies.<sup>24</sup> This new dividing line does not merely fall between the West and the rest, the transatlantic community and the others. The 'rest' now stand *within* the West. Authoritarian regimes and illiberal democracies 'are openly challenging global rules and ideas about freedom and making the case that their sociopolitical systems work better than liberal democracy. The rise of populist movements in many Western countries has led to increased support for illiberalism even within established democracies. The growing refugee and migration crisis is challenging liberal norms regarding tolerance and diversity.'<sup>25</sup> The return of identity politics is interconnected with Euroscepticism. The populist demagogues argue that Europe has been unable to provide policy responses to the challenges of immigration, border security, homeland security and economic inequalities. In essence, they are questioning the wisdom of transferring authority and sovereignty from the ethnic states to Brussels.

In many respects, economic and political crises that have resulted in systemic crises have been recurring historical phenomena. 'In the 1930s economic crisis and rising nationalism led many to doubt whether either democracy or capitalism was preferable to alternatives such as fascism and communism. And it is no coincidence that the crisis in confidence in liberalism accompanied a simultaneous breakdown of the strategic systemic order.'<sup>26</sup> If the US stepped in then to save the democratic order, the question now, to a large extent, is whether the US has the commitment to maintain the democratic order it helped create after the war. Especially with respect to Russia, the policies of the past three administrations have pointed to retrenchment rather than a commitment to the liberal democratic order. While the Bush administration showed reluctance to respond to the invasion of Georgia in 2008, the successive attempts by the Obama administration to 'reset' relations with Russia 'appeared to reward Moscow's aggression. . . . and emboldened Putin to push harder.'<sup>27</sup> Sanctions against Russia were only imposed after the invasion of Ukraine, while US ambivalence and prevarication in Syria invited Russian

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<sup>24</sup> S. E. Eizenstat, 'Transatlantic Trade and Investment Partnership (TTIP)', remarks at the Woodrow Wilson International Center for Scholars, Washington, DC, 21 March 2013.

<sup>25</sup> I. Daalder and J. Lindsay, 'America's Allies Must Step Up as America Steps Down', *Foreign Affairs*, 30 September 2018, 5.

<sup>26</sup> Kagan, 'Backing into WWII', 7.

<sup>27</sup> *Ibid.*



intervention. In fact, the Syrian crisis became the first post–Cold War regional crisis on which Russia forcefully imposed a settlement.

Russian aggression in Georgia and Ukraine poses a new security threat to the West. Russian behaviour has changed significantly. It has become aggressive towards the West and revisionist towards the status quo. Russia has resorted to using, or threatening to use, force in its foreign policy and has returned to the spheres-of-influence approach. Russia has been attempting to exert influence not only in its near-abroad but also in the Middle East and the Balkans. Worst of all, Russia has started interfering in the domestic affairs of other nation states, violating not only the liberal order but also the Westphalian order. Using misinformation campaigns, fake news, trolls and espionage, it has been trying to sow discord and social and political unrest in Western countries. It is also trying to undermine the unity of these countries. The Kremlin has not simply returned to practices that were customary during the Cold War. It is not merely challenging Western foreign policy. Rather, it is threatening the very existence of the West. Russia's interference in the 2016 US presidential election was its latest, and perhaps most audacious, subversive activity against a Western country.

Whatever the future debate concludes about the origins of Russia's new assertiveness and aggressiveness, today's policymakers have to respond to the reality of a present, imminent and grave threat. The Trump administration's apparent abdication of its global duties will only weaken the transatlantic alliance, create a security vacuum and multiply the risks. In the Funeral Oration, Pericles warned the Athenians that they possessed an empire: taking it may have been immoral, but letting it go would certainly be dangerous. 'What is clear is that the transatlantic community needs to be prepared for a long-term antagonistic relationship with Russia.'<sup>28</sup> China poses another challenge to the West. It is not simply US geopolitical interests in Southeast Asia and elsewhere that have come under threat. Rather, China poses a challenge to the global economic system and the liberal order.

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<sup>28</sup> E. Brattberg, *Toward a Transatlantic Renaissance? TTIP's Geopolitical Impact in a Multipolar World*, Foreign and Security Policy Papers, The German Marshall Fund of the United States (1 December 2015), 3.



# Transatlantic relations under Trump

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Trump's rather transactional approach to foreign policy integrates elements of crude realism with an emphasis on national interests and a dislike of lofty ideals that bring about lengthy and costly entanglements abroad. He is more interested in 'making gains in short term deals than in managing long term relationships.'<sup>29</sup> His approach to foreign policy, combined with his economic nationalism, resonates with many American voters. In addition, Trump has exploited Americans' fatigue with US entanglement abroad and their proclivity for isolationism, which has always been a strong undercurrent of American politics. There is also a part of the foreign policy establishment that is making the case for restraint. Coupled with criticisms of globalisation, which many Americans perceive to be a source of economic inequalities and national vulnerability, Trump's foreign policy doctrine rests on a narrow definition of American interests, as is encapsulated in the slogan 'America First'. According to Trump the US decline can be averted by abandoning foreign commitments and rejuvenating the domestic economy. Trump has, in fact, introduced a new version of populism into American politics and foreign policy. Spending less to protect its allies and pulling back from commitments overseas are central to Trump's realist vision of making America great again. Even if one accepted Trump's vision of rejuvenating America through a policy of retrenchment and selective engagement, it is difficult to condone his antagonising America's allies and dismantling international institutions that were built under the leadership of the US and, in large part, have served American interests well. The institutional nexus that constituted the core of the post-war international liberal order legitimised American power and expanded American interests—it did not constrain them, as the Trump administration seems to think.

The Trump administration has sent strong signals that it is reluctant to uphold the liberal democratic order. Trump's 'America First' approach, his withdrawal from the Paris climate treaty and the Trans-Pacific Partnership, and his rhetoric against NATO and the Transatlantic Trade and Investment Partnership (TTIP) are all signs that the US is shedding its global responsibilities. Trump's trade policies and his threats to raise tariffs on European products have perplexed his European allies. His aversion to

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<sup>29</sup> R. Schweller, 'Three Cheers for Trump's Foreign Policy', *Foreign Affairs*, 13 August 2018.



multilateral treaties and diplomacy and to international institutions is sapping confidence in US leadership in general and in its commitment to the transatlantic partnership in particular. History suggests that this narrow definition of American interests might lead to instability and chaos. The return to normality, if and when it occurs, will come at a staggering cost.

The US withdrawal into neo-isolationism or selective engagement sends the wrong signals to Moscow. It is further emboldening the Kremlin and will no doubt lead to conflict down the road. The West needs to realise that 'Russia's historical sphere of influence does not end in Ukraine. It begins in Ukraine. It extends to the Baltic States, to the Balkans, and to the heart of Central Europe.'<sup>30</sup> The Trump administration is also sending the wrong signals to its European allies. While Trump reconfirmed America's commitment to NATO during his NATO speech in June 2017, he conspicuously failed to mention Article 5. He certainly had a point when he criticised America's European NATO allies for failing, with notable exceptions, to meet the alliance's 2% spending target. The issue of 'burden sharing' has, after all, been a bone of contention between several US administrations and their European NATO allies. However, the way Trump lectured his European allies on how they owed 'massive amounts of money' to NATO and US taxpayers offended many Europeans.<sup>31</sup> He may also have a point regarding America's trade imbalances with its European allies, but the way he warned Germans and Europeans about trade imbalances sounded like the prelude to a trade war.

At first, optimistic analysts and policymakers believed that Trump's policy towards Europe would be one of benign neglect. That important diplomatic posts remained vacant a year after the administration took office pointed in this direction, as did the fact that the EU was barely mentioned in strategy documents put out by the new administration. 'In the National Security Strategy, the US relationship with the European Union is cited only once in the context of ensuring fair and reciprocal trade practices, and eliminating barriers to growth.'<sup>32</sup> Furthermore, Trump's announcement that the US would be putting 25% tariffs on steel and 10% on aluminium imports was met with European threats of retaliation through its own set of import tariffs. Negotiations on TTIP had reached a dead end while Obama was still president, but Trump's protectionist policies have brought the two sides of the Atlantic to the verge of a trade war.

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<sup>30</sup> Kagan, 'Backing into WWII', 11.

<sup>31</sup> A. Applebaum, 'For the US-European Alliance Everything Has Changed', *The Washington Post*, 28 May 2017.

<sup>32</sup> J. Smith and R. Rizzo, 'Trump's War on Europe is Revving Up', *Foreign Policy.com*, 9 March 2018.



Trade is not the only area of recent transatlantic friction. Trump's fickle stance towards NATO, 'the obsolete alliance', has sent Europeans concerned about the continent's security back to the drawing board. With the UK unable to prevent EU cooperation on defence after Brexit, 25 member states have signed up to the Permanent Structured Cooperation mechanism (PESCO). PESCO is a new framework for project-based capability development for countries that want to participate in it. Apart from legitimate fears about the unnecessary duplication of NATO functions and capabilities, the Trump administration's overall negative stance towards European defence cooperation is counterintuitive. Increased European spending on defence addresses the burden-sharing issue, and strengthening European defence forces benefits both NATO and the EU.

There is a widespread concern in Europe that under the Trump presidency the US is not prioritising the preservation of European unity and the transatlantic partnership.<sup>33</sup> In fact, many believe that his promise to put 'America First' represents 'a fundamental challenge to the idea of the transatlantic relationship and the security of Europe. . . . His antipathy towards European integration and his intention of rewriting the rules of international trade represent a threat to European prosperity.'<sup>34</sup>

## The European reaction

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European reaction to Trump's policies and attitudes has been measured and poised. Europeans remain, to a large extent, puzzled about the Trump administration. They have not decided whether his presidency is a political accident that they should patiently wait out or whether it represents a structural change in American politics and attitudes. Four different schools of thought have emerged in Europe regarding the Trump administration and the current state of transatlantic relations.

The first is influenced by the notion of the 'uneven barbell'. Europe's asymmetric dependence on the US for its security reinforces many Europeans' perception that the continent is weak. And this makes

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<sup>33</sup> J. Shapiro and D. Pardijs, *The Transatlantic Meaning of Donald Trump: A US-EU Power Audit*, The European Council on Foreign Relations (21 September 2017), 2.

<sup>34</sup> Ibid.



them passive towards the Trump administration and very measured in their response to Trump's provocative statements and intentions.

The second is the 'adults in the room' school of thought. It involves the belief or hope that Trump's policies and unpredictability will be tempered by seasoned professionals that occupy key positions in the sphere of foreign policy. According to this line of thought, European leaders expect there to be, despite Trump's rhetoric, no fundamental change in US foreign policy. A typical example of this logic is US policy on Russia. Despite Trump's unwillingness to criticise Russia or Putin, and his objections to sanctions on Russia, the US Congress overwhelmingly passed new sanctions on Russia for interfering in the US election. It also limited the president's ability to waive them. There is something to be said for this school of thought, given the nature of the American political system with its checks and balances. Still, it could be that Trump's options in the Russian case have been reduced by the ongoing investigation into 'the political scandal over the Trump campaign's alleged collusion with Russia during the election.'<sup>35</sup> In short, European leaders are trying to draw a distinction between 'the longstanding relationship between their country and the US and the temporary relationship with its current president.'<sup>36</sup>

The third is the 'spillover effect' school of thought, which holds that Trump's election has emboldened 'nationalist, anti-immigrant, and anti-mainstream movements' all over Europe.<sup>37</sup> Leaders in Poland, Hungary and Czechia see Trump's presidency as reinforcing their agenda, as do British Brexiters and various right-wing or far-right parties in Belgium, the Netherlands, Germany and Bulgaria. In this logic the new common ground between the two sides of the Atlantic becomes the logic of 'America First' and 'taking back control' on the US side and Euroscepticism on the other.

Finally, there are those who believe that the Trump administration represents a permanent reorientation of American foreign policy. There is widespread concern that the Trump administration is not an accident but represents a structural change in foreign policy and attitudes on the other side of the Atlantic. The first to express this concern was Chancellor Merkel in her statement on 'taking our fate into our own hands' during the first skirmishes with the Trump administration and Trump's visit to Europe. Following

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<sup>35</sup> Ibid., 3.

<sup>36</sup> Ibid., 5.

<sup>37</sup> Ibid.



Trump's announcement of the US withdrawal from the Joint Comprehensive Plan of Action, the so-called Iran nuclear deal, Merkel responded with a much stronger statement. 'It's no longer the case that the United States will simply protect us. Rather Europe needs to take its fate into its own hands. That's the task for the future', she said in a speech alongside French President Emmanuel Macron.<sup>38</sup> The one to capitalise on this issue has been Macron. He has been careful not to reject cooperation with the US but has 'outlined a vision in which France and Europe do not rely on the US or NATO as the main determinant of their status on the global stage.'<sup>39</sup>

It remains unclear, however, whether this feeling of 'holding one's destiny in one's own hands' will translate into a permanent reorientation of the Franco-German axis vis-à-vis the transatlantic relationship. At the same time, surveys suggest that Europeans believe that 'Trump's presidency will not fundamentally change America or the international system.'<sup>40</sup> These attitudes reflect the fact that for the majority of Europeans the US remains the offshore balancer. 'For Europeans, America means security and stability. . . . Europeans certainly want protection from Russia and terrorism, but, working together, they could provide that themselves. The problem is that they also want political protection from each other. And only America can provide that.'<sup>41</sup>

For European leaders and US foreign policy makers, the transatlantic bargain has proved, overall, effective and mutually beneficial over the years. It would appear that most of them want to protect it. If Trump's antics are limited to the issue of burden sharing or a more equitable partnership with Europe, they can, to a large extent, be accommodated. The cause for concern, however, is that the Trump presidency may add fuel to that strand of US public opinion that is increasingly less tolerant of the cost of foreign wars and American commitments abroad. The 'America First' agenda, very much like the 'Come home America' agenda in the aftermath of the Cold War, may strengthen the trend towards neo-isolationism. According to a Pew Research survey, 57% of Americans want to limit American foreign commitments and focus on domestic needs.<sup>42</sup>

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<sup>38</sup> K. Caralle, 'Angela Merkel: Europe Can't Rely on US for Protection, Must Take Fate into Its Own Hands', *The Washington Examiner*, 13 May 2018.

<sup>39</sup> Shapiro and Pardijs, *The Transatlantic Meaning of Donald Trump*, 7.

<sup>40</sup> *Ibid.*, 9.

<sup>41</sup> *Ibid.*, 10.

<sup>42</sup> Pew Research Center, *Public Uncertain, Divided Over America's Place in the World* (5 May 2016), 13.

# The case for a strong transatlantic partnership



The Trump presidency and the evolution of American public opinion have created significant political uncertainty in Europe about the future of transatlantic relations. European policymakers are trying to understand these recent shifts and to assess whether they are indicative of a permanent shift towards divergence between the two sides of the Atlantic or whether they represent temporary trends. The history of the transatlantic partnership has seen numerous differences on policy issues, quarrels over the question of more even contributions to the budget of NATO and personality differences among leaders. They have not sufficed to create a permanent and irreparable rift between the two sides of the Atlantic, however. I suggest that the same holds true for the current turbulent phase in transatlantic relations. The reason is that the long-term structural factors that have held the alliance together remain intact. There are still common interests, threats and values that bind the Atlantic alliance together.

As concerns common threats, the first is a resurgent Russia and a rising China. Transatlantic relations have always depended on a more strategic relationship, that between the US and the Soviet Union. During the Cold War, when there was tension between the US and the USSR, Europe would become the focal point of US foreign policy and the transatlantic alliance would hold steady. In times of détente, however, tensions between the US and the Soviet Union would decrease and the alliance would show signs of strain. Differences that had been put on the back burner during periods of tension would gain prominence in times of détente. The pattern that held during the Cold War has been very much in evidence in the post–Cold War era. The defeat of Communism and the dismantlement of the Soviet Union brought about a spirit of triumphalism and complacency in the West. Now on its way to democracy, Russia no longer posed a threat. A democratic Russia would be a guarantee of a permanent peaceful settlement between it and the West. The new Europe—united, free and democratic—would be able to take care of its own business. Americans felt that there was no longer any need to sustain their European allies’ preference for butter over guns at the expense of the American taxpayer. US interests were shifting to the Pacific and China and to security priorities in other parts of the world. The relaxation of tensions between the US and Russia weakened the cohesion of the transatlantic alliance and blurred its focus.

When democratisation failed in Russia, successive US administrations were slow in realising the extent of the Putin regime’s assertiveness and adventurism. In 2009, after the events of the previous year in Georgia, then Secretary of State Hillary Clinton offered a red ‘reset’ button to Russian Foreign Minister Sergei Lavrov in a symbolic gesture to restart the US–Russian relationship. The offer was probably perceived from



the Russian side as giving it a free hand to pursue an aggressive spheres-of-influence policy. The Russians went on to muscle Crimea from Ukraine in 2014, and to stage an insurgency against Kyiv in an effort to keep Ukraine within the Russian sphere of influence. While the intelligence community in Washington became increasingly fidgety about Putin's policies, Trump chose to ignore their warnings, insisting on the necessity of improving relations with Russia. This policy orientation was evident in his initial appointments of Rex Tillerson as Secretary of State and Michael T. Flynn as National Security Advisor. Tillerson opposed the economic sanctions that had been imposed on Russia, while Flynn stressed the need to work with Russia to counter the Islamic threat.<sup>43</sup> Alas, with Russia running amok in Ukraine and interfering in Syria, the Balkans and the domestic affairs of Western democracies, there is little room for the Trump administration to further pursue a policy of rapprochement with Putin. Russia's new assertiveness and adventurism pose a serious challenge to the West that can only be met by a strong transatlantic alliance.

China poses another challenge to Western interests. This is not restricted to American geopolitical interests in Southeast Asia. With its grand geopolitical 'One Belt, One Road Initiative', Beijing is trying to alter the balance of power on the Eurasian landmass. It also poses a challenge to the global economic system and the Western liberal order. Over time the new economic institutions it has set up with Brazil, Russia and South Africa may have a significant impact on Western interests.

The second common strategic threat is the unprecedented pressure on Western liberal democracy and the broader liberal international order. As China and Russia attempt to delegitimise and undermine democratic institutions, their foreign policy objectives are converging. Although their approaches seem uncoordinated,

taken together, they are having a more corrosive effect on democracy. Russia's assault on democratic institutions, including electoral interference, the spread of corruption, and disinformation campaigns, weakens some actors' commitment to democracy. But it is the alternative model of success that China provides and, more important, the revenue it brings to struggling governments that give weak democracies the capacity to pull away from the West.<sup>44</sup>

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<sup>43</sup> W. R. Keylor, 'The Future of the Atlantic Alliance Under President Trump', H-Diplo Policy Series (4 January 2017), 3.

<sup>44</sup> A. Kendall-Taylor and D. Shullman, 'How Russia and China Undermine Democracy. Can the West Counter the Threat?', *Foreign Affairs*, 2 October 2018, 1.



This dynamic is most apparent in Eastern Europe and the Balkans, where long-standing Russian efforts to discredit democracy and the EU exist in tandem with major infrastructure investments from China. China has been the main preoccupation of the US foreign policy establishment, especially since the launch of the One Belt, One Road initiative. In that respect, Europe's policy towards China will become a critical issue for the future of the transatlantic alliance.

China and Russia are both trying to capitalise on the rising wave of nationalism and populism in Southeast Asia and Europe. In an effort to sow the seeds of division in Europe, they have been fuelling nationalist and anti-EU sentiments. The projection of an authoritarian political model by two great powers poses a systemic challenge to the world's democracies. In an article in the *American Political Science Review*, Carles Boix showed how 'the structure of the international system affects the resources and strategies of pro-authoritarian and pro-democratic factions in client states. The proportion of liberal democracies peaks under international orders governed by democratic hegemons, such as the post-Cold War period, and bottoms out when authoritarian great powers . . . control the world system.'<sup>45</sup> This dual challenge to Western democracies sets forth an alternative political model that could become increasingly attractive to like-minded autocrats, giving an impetus to authoritarianism worldwide. Putin and Chinese President Xi Jinping offer a model of governance that others may seek to emulate and ally themselves with. 'Hungarian Prime Minister Viktor Orbán and Turkish Prime Minister Recep Tayyip Erdogan, for example, seem to admire Putin's strongman tactics and have adopted elements of his repertoire to enhance their control.'<sup>46</sup>

The West must counter this trend. The 'Western ideal' may be an embattled concept, but it still remains attractive to many countries around the globe. Democracy and the free-market economy remain to this day the best and safest way to prosperity and peace. The transatlantic community remains attractive to many countries that aspire to join the EU and NATO. Globalisation may create inequalities that engender discontent and grievances which, in turn, lead to a temporary atavistic return to nationalism and populism, and give rise to tensions within and between states. But it is unlikely that globalisation will be reversed. Eventually, political elites will have to lead societies from the deadlock of populism to policies that mitigate its negative aspects. For that to happen, the US and its European allies should work together to uphold

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<sup>45</sup> C. Boix, 'Democracy, Development, and the International System', *American Political Science Review* 105/4 (November 2011), 809.

<sup>46</sup> Kendall-Taylor and Shullman, 'How Russia and China Undermine Democracy', 1-2.



models of democratic governance and to empower domestic constituencies to stand up against the foreign subversion of their own democracies.

The two pillars of the transatlantic alliance remain strong, despite recent setbacks. ‘US resources remain far superior to those of other powers—both allies and rivals. It will likely maintain the largest economy for another decade; it has the most capable military . . . and it remains prominent in a number of other fields.’<sup>47</sup> For its part, Europe—despite the challenges of Brexit and populism, and in spite of the current period of introspection—remains strong and coherent. Only a strong transatlantic partnership will be able to address the challenges to the Western notions of democracy, government and economic dominance.

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<sup>47</sup> X. Wickett, *Transatlantic Relations: Converging or Diverging?*, Chatham House Report (London, January 2018), 46.



**New transatlantic  
grand bargain**



The above-mentioned challenges to the interests and values shared by the two sides of the Atlantic are solid reasons for continuing the Atlantic alliance. But one cannot simply assume that this partnership will continue to exist. There is a need for a new transatlantic bargain that will reflect the new realities in transatlantic relations and world affairs.

#### The US and EU economies

together make up almost a third of global GDP. The EU is the largest export market for the US, and second largest supplier of its imports. Trade in goods and services between the EU and the US amounted to an estimated \$1.1 trillion in 2015, or just over \$3 billion per day. They are each other's most important trading partners, with the EU representing 18.9% of total US trade in 2016, and trade with the US accounting for 17.7% of EU trade in that year.<sup>48</sup>

Interdependence is also increasing in the fields of energy, cybersecurity and natural resources. It is evident that Western economic dominance presupposes transatlantic economic partnership.

Scholars and policymakers have argued for the recalibration of transatlantic relations through the signing of TTIP. Victoria Nuland, formerly the US Assistant Secretary of State for European and Eurasian Affairs, has argued that TTIP would bring about a 'transatlantic renaissance'.<sup>49</sup> A German Marshall Fund study makes the following argument:

At a time when the transatlantic community is confronting numerous challenges both at home and abroad—ranging from the euro crisis and the migrant crisis to Russia's invasion of Ukraine and the implosion of Syria and Iraq to the rise of China—optimism is hard to find. Staking out a positive global transatlantic agenda could therefore not be any timelier. One of the most important elements of such an agenda in recent decades is the Transatlantic Trade and Investment Partnership (TTIP).<sup>50</sup>

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<sup>48</sup> Ibid., 1–2.

<sup>49</sup> Speech at the Atlantic Council in Washington, DC on 13 November 2013.

<sup>50</sup> Brattberg, *Toward a Transatlantic Renaissance?*, 1.



Retired US Admiral James Stavridis has argued that TTIP has to be viewed as one aspect of the transatlantic community's strategy on Russia and Putin.<sup>51</sup> TTIP can 'serve as an umbrella for linking economic, security, and democracy issues to weaken Russian influence.'<sup>52</sup> Following Obama's 'pivot to Asia' policy and Trump's protectionist threats, the resurfacing of TTIP on the transatlantic agenda would reinvigorate dialogue between the two sides of the Atlantic, renew America's commitment to Europe and send a strong message of transatlantic solidarity to Putin's Russia. It would be a message that 'Europe and the United States stand together in all dimensions—values, politics, security, and trade.'<sup>53</sup> While Trump pulled the US out of the Trans-Pacific Partnership, he 'never formally withdrew the United States from TTIP and Trump administration officials have consistently said they may be open to resuming the talks, albeit with slightly different priorities than the Obama administration had.'<sup>54</sup> While an extensive TTIP deal may be difficult to obtain, a narrow trade deal may still be possible.

Transatlantic unity is critical when it comes to addressing revisionist powers such as Russia or China, transnational threats such as Islamic terrorism, and other global or regional problems. Common threats were major factors for convergence between the US and Europe after the end of the Second World War and throughout the Cold War. After the end of the Cold War, there was the short interlude when a direct threat was absent. This came to an abrupt end on 11 September 2001 with the rise of jihadist terrorism. The rise of China, the new rivalry with Russia and terrorism—which constitutes an existential threat for the US and Europe—are all common threats that should reinforce transatlantic security cooperation. It is true that 'threats can have either cyclical or structural impacts, and can affect US and European states quite differently. . . . But the US and Europe will nonetheless increasingly find that what affects one affects the other. Their interconnectedness will likely lead to convergence in threat perceptions—even as priorities and responses continue to differ—and potentially result in a more cooperative division of responsibilities.'<sup>55</sup>

Europe, however, needs to address the question of burden sharing and to deal with the disparity in military capabilities between it and the US. Trump is not the first US president to complain about Europe's reluctance to pay its fair share of defence expenditures. Especially after Europe had fully recovered from the

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<sup>51</sup> J. Stavridis, 'Vladimir Putin Hates the TTIP', *Foreign Policy*, 19 November 2014.

<sup>52</sup> Brattberg, *Toward a Transatlantic Renaissance?*, 10.

<sup>53</sup> Stavridis, 'Vladimir Putin Hates the TTIP'.

<sup>54</sup> *Stratfor*, 'Truce Aside, U.S.–EU Trade Relations Are in for a Bumpy Ride', *Worldview, Assessments* (30 July 2018).

<sup>55</sup> Wickett, *Transatlantic Relations*, 30.



devastation of the Second World War, many US presidents, from Eisenhower to Kennedy to Obama, tabled their complaints about burden sharing. During the Vietnam War, the Mansfield amendment, 'which called for a 50% reduction of US troop strength in Europe in light of the Old Continent's economic prosperity, came close to obtaining a majority vote in the Senate.'<sup>56</sup>

In 2011 Defence Secretary Robert Gates warned the European members of NATO

that there is a dwindling appetite in the US Congress and in the American body politic writ large to expend increasingly precious funds on behalf of nations that are apparently unwilling to devote the necessary resources or make the necessary changes to be serious and capable partners in their own defense. Indeed, if current trends in the decline of European defense capabilities are not halted and reversed, future U.S. political leaders may not consider the return on America's investment in NATO worth the cost.<sup>57</sup>

Echoing the warnings of Secretary Gates, Obama accused the Europeans of free-riding on defence issues.<sup>58</sup> Trump was even more blunt about it. 'If we cannot be properly reimbursed for the tremendous cost of our military protecting other countries, and in many cases the countries I'm talking about are extremely rich, I would absolutely be prepared to tell those countries congratulations, you will be defending yourself.'<sup>59</sup>

Burden sharing has been a constant source of friction between the two sides of the Atlantic for many decades and during many US administrations. Today's debate is qualitatively different, however, since a veiled threat of American disengagement from Europe stands behind it. A number of leading experts on transatlantic relations have referred to this.<sup>60</sup> Barry Posen claims 'that the European Union provides as good a foundation for US disengagement as the United States will find anywhere in the world today.'<sup>61</sup> Andrew Bacevich argues that 'Europe is fully capable of defending its Eastern flank. . . . and the US should not be precipitously withdrawing security guarantees but through a phased and deliberate devolution of

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<sup>56</sup> Keylor, 'The Future of the Atlantic Alliance', 1.

<sup>57</sup> *Ibid.*, 2.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*

<sup>60</sup> Keylor provides a synopsis of the arguments in 'The Future of the Atlantic Alliance', 3–4.

<sup>61</sup> B. R. Posen, *Restraint: A New Foundation for US Grand Strategy* (Ithaca: Cornell University Press, 2014), 90.



responsibility.<sup>62</sup> John Mearsheimer and Steven Walt have bluntly called for the US to ‘end its military presence in Europe and turn NATO over to the Europeans.’<sup>63</sup> Jolyon Howorth calls on Europe to achieve strategic autonomy because ‘it should not be utterly reliant in perpetuity on any ally, however powerful, for its regional security.’<sup>64</sup>

There is no question but that Europe must increase its total defence budget to meet the two percent target. Initiatives such as PESCO and the European Defence Fund are steps in the right direction. ‘A more militarily independent Europe would also prove a more attractive partner for the United States, which still needs European cooperation in fighting terrorist groups such as the ISIS.’<sup>65</sup> What the current tensions in transatlantic relations reveal is an issue of power imbalance. ‘Americans are frustrated at Europe’s lack of defense investments and do not see the continent as a reliable ally; Europeans resent American unilateralism and disregard for their policy concerns.’<sup>66</sup>

Europe’s dependence on the US for its security and defence was a necessary condition for the successful development of the European project throughout the Cold War period. But now Europe needs to address this power imbalance by shoring up its military capabilities. Initiatives like PESCO and the European Defence Fund are not enough. Europe’s priority should be a common strategic culture, and increasing defence spending and capacity building with the goal of achieving strategic autonomy. ‘European strategic autonomy is not about building a counterweight to U.S. military power. It’s about Europe investing in its own security and the security of the transatlantic alliance. In the face of a rising China, resurgent Russia and increasing security threats, there is much more binding the liberal democracies of the United States and Europe than dividing them.’<sup>67</sup>

Europe must do more for its defence. This would lead to a more equal security relationship between the

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<sup>62</sup> A. Bacevich, ‘Ending Endless War: A Pragmatic Military Strategy’, *Foreign Affairs*, September–October 2016.

<sup>63</sup> J. Mearsheimer and S. Walt, ‘The Case for Offshore Balancing: A Superior US Grand Strategy’, *Foreign Affairs*, July–August 2016.

<sup>64</sup> J. Howorth, *EU–NATO Cooperation and Strategic Autonomy: Logical Contradiction or Ariadne’s Thread?*, KFG Working Paper Series, no. 90(August 2018), 15.

<sup>65</sup> A. Polyakova and B. Haddad, ‘Europe in the New Era of Great Power Competition: How the EU Can Stand Up to Trump and China’, *Foreign Affairs*, 17 July 2018, 3.

<sup>66</sup> B. Haddad and A. Polyakova, ‘Is Going It Alone the Best Way Forward for Europe? Why Strategic Autonomy Should Be the Continent’s Goal’, *Foreign Affairs*, 17 October 2018, 1.

<sup>67</sup> *Ibid.*, 2.



two sides of the Atlantic. Territorial as well as alliance defence within NATO, nuclear deterrence, cybersecurity and counterterrorism require the strengthening of the existing cooperation. During the Cold War, US administrations did not really encourage or insist upon a European defence pillar. The approach to transatlantic defence and security issues that successive American administrations followed was the 'atlanticisation' of defence and security. At present, the US is demanding that Europe should increase its spending on defence building and capacity with the aim of creating a strong European pillar in defence that would lead to a more equal security relationship between the two sides of the Atlantic.

# Policy recommendations



The new grand bargain between Europe and the US could also be reflected in a renewed transatlantic agenda. In August 1941 Roosevelt and Churchill held a conference that produced a policy statement called the Atlantic Charter. Although the US had not officially entered the Second World War at the time, the Charter stated the objectives of the Allied powers concerning the war and the post-war order. The principles of the Atlantic Charter were influenced by Anglo-American liberal internationalism.

The EU and the US established diplomatic relations in 1953, but this diplomatic cooperation was not institutionalised until 1990, when the Transatlantic Declaration on EU–US Relations was adopted. In 1995 the New Transatlantic Agenda (NTA) was agreed between US President Bill Clinton, the President of the EU Council and Spanish Prime Minister Felipe Gonzalez, and European Commission President Jacques Delors. The NTA introduced a Framework for Action with four major goals: promoting peace and stability, democracy and development around the world; responding to global challenges; contributing to the expansion of world trade and closer economic relations; and building bridges across the Atlantic. The NTA was, in fact, a new Atlantic Charter. It updated some of the goals and values of the 1941 document and addressed the challenges of the emerging post–Cold War era.

Today there is an urgent need for the renewal of the transatlantic agenda to reaffirm the common values of the West and to address the new global challenges posed by a resurgent Russia, a rising China, Islamic terrorism and cyberterrorism. If the primary objective of the 1990 Atlantic partnership was to promote democracy, in 2019 the goal is to defend democracy and the liberal order, to salvage the multilateral trading system and to take practical steps to enhance economic cooperation between the US and Europe.

The drafting of a renewed transatlantic agenda would provide a coherent and comprehensive strategy for the transatlantic partners in the twenty-first century. It would be a roadmap that reaffirmed common values and interests, and drafted a common strategy for meeting the challenges of the new era and shaping the new world order. It would help create a new sense of purpose for a new generation that grew up in the post–Cold War era and thus has been shaped by a different set of experiences. The interests shared by the US and Europe, along with their unmatched combined resources, are the foundation for a more ambitious Atlantic partnership. In the emerging world order, the US will not be able to monopolise leadership but will need a reliable partner to share this leadership with. Europe shares with the US basic interests in a strong world economy, free trade and expanding democracy. A stronger Europe



will make for a more ‘even barbell’—a more equal, more global Atlantic relationship. Without Europe, America would become an isolated continent; without the US, Europe would be a vulnerable continent. The two sides of the Atlantic need to strengthen the transatlantic relationship at every level. They need a renewed transatlantic agenda to keep the pendulum from shifting away from the West and its ideals.

1. Transatlantic summits need to be well prepared for and have to tackle the big issues. The biannual dialogue between EU foreign ministers and the US secretary of state should prepare the main corpus of the agenda for the transatlantic summit. The 1990s is considered the ‘golden era in transatlantic institution building.’<sup>68</sup> The NTA created formal dialogue structures and policy frameworks. While the latter are not legally binding, they gave structure to the transatlantic relationship and established a new spirit of transatlanticism. While that in itself was a positive development, the results have not been spectacular. Some have argued that transatlantic institutions will only be effective if they set measurable objectives and produce binding agreements. Political consultation and dialogue must be strengthened at all levels, culminating in a restructured annual US–EU summit that deals with strategic issues and gives direction to the transatlantic agenda. The bilateral transatlantic summits were initially biannual but have been held annually since 2000. In most cases, however, the results have been disappointing.
2. Issue-specific contact groups should be established to discuss both strategic and tactical issues. These groups should include relevant EU ministers and US department secretaries other than the secretary of state. Contact groups could prepare policy proposals for the US–EU summits. What Kissinger called an ‘Atlantic Steering Group’—that is, a transatlantic leadership group—should be established to ‘set policy priorities, concert long term plans, and to manage crises as they occur.’<sup>69</sup> This group would focus on strategic issues rather than on the usual bureaucratic discourse centring on problem areas. It would also function as a mechanism for dealing efficiently with crises within the Atlantic alliance and for coordinating policies on crises facing the alliance. The Transatlantic Legislators’ Dialogue should be strengthened to enhance parliamentary ties between the US and the EU.

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<sup>68</sup> J. Antal, ‘Transatlantic Institutions: Remarks on Their Work’, *Contemporary European Studies* (January 2011), 103.

<sup>69</sup> A. K. Henrikson, ‘A Structural Approach to Transatlantic Unity’, in N. Kotzias and P. Liakouras (eds.), *EU–US Relations: Repairing the Transatlantic Rift* (London: Palgrave Macmillan, 2006), 157.



3. The Transatlantic Legislators' Dialogue established by the NTA should be reinvigorated. It involves regular exchanges between the European Parliament, on the one hand, and the US Congress and House of Representatives, on the other. The Dialogue involves biannual meetings between delegations from the two sides of the Atlantic and a series of teleconferences on topics of mutual concern. It could be reinvigorated by having it focus on specific legislation and the implementation of common laws, and on policy reforms and issues relevant to both jurisdictions. A strengthened Transatlantic Legislators' Dialogue would help legislators in Washington better understand how the EU and European institutions work. It would alleviate misunderstandings between the two sides and help to harmonise their political cultures.
4. The Transatlantic Economic Council should become an effective mechanism for establishing EU–US economic cooperation and the ambitious objective of a transatlantic marketplace. It started in a very promising way, but it has become bogged down. It should also play an important role in coordinating US–EU cooperation in international institutions such as the WTO.
5. Ties between the civil societies on the two sides of the Atlantic need to be strengthened.

The network that was built after the Second World War has lost over the last years its spirit and speed. The old ties are getting more and more fragile. Both sides need to support the exchange of young leaders from relevant parts of society (politics, economy, media, art) to guarantee that mutual understanding between partners can grow and can be developed from generation to generation.<sup>70</sup>

6. The NTA established a series of people-to-people dialogues, including the Transatlantic Business Dialogue and the Transatlantic Consumer Dialogue. It also called for building bridges across the Atlantic among scientists, educators and others to improve communication and ensure that future generations remain committed to developing a full and equal partnership. To achieve this goal, a transatlantic academy of scholars and artists should be created to stimulate the exchange of scholars and opinion makers. This academy would serve as an intellectual bridge over the Atlantic, introducing opinion makers to wider audiences. Such an institutionalised process would bring civil societies closer together and help overcome stereotypes on both sides of the Atlantic.

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<sup>70</sup> E. Brok, 'Agenda for a New Transatlantic Relationship: The EU's To Do List', in N. Kotzias and P. Liakouras (eds.), *EU–US Relations: Repairing the Transatlantic Rift* (London: Palgrave Macmillan, 2006), 136.

**Conclusion**



Since the signing of the Atlantic Charter, transatlantic cooperation has been based on a number of treaties, agreements and institutional arrangements. It is true that the Trump administration has shown little respect for or commitment to institutional arrangements. During his presidency the US has questioned the relevance of NATO and TTIP, and has withdrawn from the Paris Agreement on climate change and the Iran nuclear deal. Such actions have been deconstructing the foundations of the transatlantic partnership and the Western liberal order. In the long term, these developments must be reversed. In the meantime, it is critical that institutions such as NATO remain intact. To this end, ‘it will be critical for European nations to reassert their mutual responsibilities and draw closer together to ensure a strong, more self-reliant pole—one that the US can re-engage with under a subsequent, more willing administration.’<sup>71</sup> It is critical for both sides of the Atlantic that cooperative schemes such as TTIP should be re-examined and reinitiated. The Trump administration’s decision to renegotiate the North American Free Trade Agreement (NAFTA) instead of abolishing it gives a glimmer of hope.

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<sup>71</sup> Wickett, *Transatlantic Relations*, 67.

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Since the end of the Second World War, every US administration has promoted European recovery, transatlantic cooperation and joint defence. Common interests, together with common principles and values, constituted the bedrock of the post-war partnership between Europe and the US. NATO became an alliance of both interests and values.

Today, however, the transatlantic partnership is facing a new series of challenges. Of these, two are of particular importance: one external, the other internal. The external challenge concerns the rise of two great revisionist powers, Russia and China, as well as Islamic terrorism. The internal challenge is the declining willingness of the US to defend the international order it created and the fracturing of the core of this system. These global shifts are forcing the Atlantic partnership to re-examine its common interests, its common values, its capabilities and its strategic objectives.

This paper argues that there is a need for a new grand bargain that would lead to a more equal transatlantic partnership. The goals are stronger trade relationships through revitalised negotiations for the Transatlantic Trade and Investment Partnership (TTIP) and a more even defence relationship that addresses both the question of burden sharing and the disparity in military capability between Europe and the US.



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