

EU-US RELATIONS: A NEW AGENDA FOR TRANSATLANTIC RELATIONS

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Damaged...

President Donald Trump's unabashed unilateralism has hurt EU-US relations. He has called the European Union a “foe” and “worse than China, just smaller”. He celebrated Brexit and has encouraged other member states to leave the bloc. He has bullied democratic leaders such as Angela Merkel and embraced autocrats like Viktor Orbán. The latter has not helped the EU institutions in their search for supranational mechanisms to enforce compliance with rule of law conditions for membership.

Not only did the 45th US President not re-engage with the transatlantic trade and investment agenda which Barack Obama abandoned; he imposed “national security” tariffs on steel and aluminium imports from European allies, and threatened that more might follow. He also subjected European businesses to American extra-territorial jurisdiction more enthusiastically than any of his predecessors, in particular over his withdrawal of the US from the Iran nuclear deal.

Trump's retreat from the Paris climate deal, the INF treaty, the Open Skies agreement, and the WHO as well as his attacks on the WTO have rocked many Europeans' belief that they share common ground with their most important ally. In fact, Trump has been disdainful of European priorities, from climate change or efforts to improve global health, to human rights and development assistance.

As a result, US relations with the EU have become largely dysfunctional, and this at a time when unprecedented global health, economic, and security challenges demand robust transatlantic leadership.

To be sure, transatlantic disarray is not due solely to Trump. After more than a decade of crisis management, the EU has seemed as likely to fall apart as to come together over the COVID-19 pandemic. The coronavirus crisis has ravaged societies and economies. Whereas EU Member States reached a political agreement on a historic recovery package and a seven-year budget, those debates have also revealed ongoing differences on rule of law conditionality in the disbursement of funding that could widen once the worst of the pandemic is over.

...but not beyond repair

A second term for Trump would have probably meant a further erosion of US democracy and the post-war liberal order. The EU would have no longer been able to put off facing the consequences of having an illiberal, anti-trade partner across the pond.

With the victory of Joe Biden, there are four years to revive an alliance of democracies, face up to authoritarian powers and closed economies that exploit the openness on which American and European societies are built, and shape those parts of multilateralism that serve transatlantic interests.

During the campaign, candidate Biden emphasised that “Europe is the cornerstone of our engagement with the world” and “our catalyst for global cooperation”. As a passionate Transatlanticist and multilateralist, Biden's first instinct will be to turn to the EU as America's indispensable partner of first resort when it comes to addressing international challenges.

America, heal thyself before you attend to others

But the President elect's most immediate challenge is likely to be an unenviable confluence of crises at home: the ongoing pandemic, deep social tensions, continued recession, and astronomical levels of government debt. Joe Biden will also have to contend with a much stronger radical conservative opposition than Barack Obama ever did. This is likely to slow down the implementation of his ambitious policy agenda.

America's partners should not be surprised, and should in fact welcome, the likelihood that Biden's initial focus will necessarily be on domestic challenges. After all, the US is unlikely to be the type of consistent, outward-looking partner that Europeans need and want if it does not beat COVID-19, generate economic growth, and work to heal its deep domestic divisions.

Reinvent transatlantic relations

Even if the US re-joins the WHO, the Paris climate accords, the Iran nuclear deal, and works to strengthen the WTO, Biden's foreign policy will be more assertive and transactional in response to popular domestic demand. Europeans should not kid themselves into believing that transatlantic relations will return to the status quo ante. In all but name, the rallying cry of "America First" is here to stay. As a presidential candidate, Biden has vowed to prioritise investment in US green energy, childcare, education, and infrastructure over any new trade deals. He has also called for expanded "Buy American" provisions in federal procurement, which has long been an irritant in trade relations with the EU. Also, the EU will likely be forced to muster all the political will and resources at its disposal to carve a third way between the US and China, an issue on which there exists strong bipartisan support.

The greatest danger to a vital transatlantic bond will be Europe's temptation to believe that the relationship can go back to "business as usual". That would be a mistake. The EU-US alliance as we have known it is dead. A Biden administration will not want to "restore" the transatlantic partnership; it will want to reinvent it for a world full of economic, climate, and health challenges, more diffuse power, rapid technological changes, greater insecurities, and intensified global competition.

A reinvented transatlantic partnership will demand more, not less, of Europe. The European Commission and the EU's High Representative for foreign affairs and security policy have understood this. In a call on the US to seize a "once-in-a-generation" opportunity to forge a new global alliance, they have made a detailed pitch to bury the hatchet on the sources of tension of the Trump era, and meet the "strategic challenge" posed by China. The idea is to revitalise the transatlantic partnership by cooperating on everything, from fighting cybercrime and shaping the digital regulatory environment, to screening sensitive foreign investments and fighting deforestation. An EU-US Summit in the first half of 2021 could be the moment to launch the new transatlantic agenda.

Coming up with a common approach will hinge significantly on the two economies' ability to bridge existing divides over tech policy. Using their combined influence, a transatlantic technology space could indeed form the backbone of a wider coalition of like-minded democracies.

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