

Europe Needs to Be Prepared to Jump through a “Biden Window of Opportunity”

Jacob Kirkegaard

Transatlantic Policy Implications of the 2020 U.S. Election

European trust in American leadership is at historical lows in 2020 and Donald Trump’s personal image in the doldrums across most of the continent. EU leaders without authoritarian tendencies can safely be assumed to prefer a Biden presidency after November, as he is at least not Donald Trump. It is crucial, however, for EU leaders to recognize that American voters may never again elect a more transatlantic oriented president than Joe Biden. Deep structural trends in the United States and the world will continue to shift Washington’s gaze elsewhere. If the EU therefore wants a major upgrade in not least economic relations with the United States, it may never get a better opportunity than the next four years. To take full advantage of the Biden window of opportunity, the EU needs to have its economic priorities set and be willing to make painful political choices to potentially strike deals.

The 2020 U.S. presidential campaign will symbolically be the first in which the Millennial and Gen Z generations match the share of baby boomers and the Silent Generation in the [U.S. electorate](#), and two thirds of new immigrants arriving in the United States come from [Latin American and Asia](#). The rise of the minority share of American voters will hence continue, and with it naturally the political power of population groups that orient themselves towards family roots in other regions of the world than Europe. Donald Trump’s presidency and the adoption by the Republican Party of his anti-trade, anti-immigration and unilateralist platform will probably make Democratic Party presidents the EU’s preferred partners in Washington for the foreseeable future, but just as Barack Obama was often less transatlantic than many in Europe had hoped, so, too, may many Democratic leaders of the future. Joe Biden is likely as good as it will get for Europe.

A Transatlantic Grand Strategy toward China

Fortunately for EU leaders, there are important geopolitical reasons for why a Biden administration will want to work particularly constructively with Europe in the coming years. First few can, given the causes pursued in his long political career, doubt Joe Biden’s deep personal commitment to transatlanticism. More importantly, a Biden administration would urgently need to reconstruct a sensible American grand strategy vs. China. The size of the Chinese economy will soon overtake that of the United States no matter how it is measured, and China espouses several important aspects of capitalist economic practices, including cut-throat, but also often state-subsidized firm-level competition and global expansion. The Soviet Union never had such characteristics, making China a novel and far more formidable challenge for the United States.

Following the debacle of Donald Trump's failed unilateralism, a coherent China strategy will require Joe Biden to reassert strong American leadership in many of the multilateral organizations denigrated and defunded by his predecessor. That is a task carried out far easier when working closely with the genetically multilateralist EU. More broadly to confront China and other strongmen's increasingly authoritarian tendencies around the world, a Biden administration could well, where existing multilateralist institutions are blocked, "pivot to democracy" in international affairs and seek to assemble coalitions of willing democracies. This will with certainty see a Biden administration continue to ask a lot more of Europe in many national security and defense related areas, but again is a task requiring Washington to closely collaborate with its traditional European allies. It will be in the EU's own interest and in line with its core values to engage constructively.

More Common Ground on Climate and Corporate Tax

Domestically, Joe Biden will meanwhile lead a Democratic Party well to the left of the platform he and Barack Obama campaigned and won on in 2012. This means a larger overlap on important policy issues with the concerns of many Europeans. Joe Biden has already committed to take strong action on climate change issues, called for higher U.S. corporate taxes (including especially on multinationals), and vowed much stronger action on technology sector competition and privacy policy, and antitrust enforcement. Donald Trump's actions and rhetoric in office have justifiably caused America's public standing among Europeans to plummet. Barack Obama taking office caused the same sentiment to rebound after the fallout over the Iraq War under George W. Bush. The ability of Joe Biden to do the same from taking forceful action on policy issues Europeans care about should not be underestimated. Engaging with the United States on many economic issues with Joe Biden as president will therefore become politically easier at home for many European leaders.

Given the high probability of the Democrats also carrying both houses of Congress in a Biden victory, it is important to recognize, too, that today's Democratic Party coalition is different and far more urban than before. Democratic voters are generally more positive than Republicans towards [free trade](#), and even the AFL-CIO, a core Democratic and traditionally trade-skeptic constituency, supported the renegotiated USMCA agreement. This implies that a Democratic sweep in November should be constructive for future trade engagements and even agriculture, while still a formidable political force, may be slightly less unassailable come 2021.

Joe Biden's platform on taxation embodies opposition to some categories of economic engagement and noticeably offshoring, but this is overwhelmingly a concern for deeper U.S. economic relations with lower income countries. Despite its strategic China logic, the prospects of the United States rejoining the (CP)TPP look thorny in a Democratic Congress for a Biden administration. And given Brexit's potential impact on the Northern Irish border and political kinship with Donald Trump's own failed sovereigntist economic vision, a U.S.-U.K. FTA is not likely to be appealing for Joe Biden. This essentially leaves the EU as the only major trade game in town, if Joe Biden wants to first secure a new Trade Promotion Authority before the current one expires in the summer of 2021, and then to steer an economically material new economic and trade agreement through Congress.

No one should assume that launching a de facto renamed and updated TTIP process will be anything other than a monumental political task for a new U.S. administration and the EU. Yet by starting with addressing some of the live trade frictions, further goodwill could quickly be added to the strategic opening of a Biden election win. It is overwhelmingly likely that a Biden administration would quickly end Trump's preposterous "national security" related tariffs on EU steel and aluminum, and with the EU now also [authorized by the WTO](#)

9 October 2020

to retaliate against billions of dollars of U.S. exports in the Boeing dispute and [French and Spanish compliance](#) with earlier rulings, there is hope that the decades old Boeing-Airbus dispute can finally be settled. The EU has also, not least due to its own reevaluation of EU-China relations, gradually moved toward Washington's position on the access of Huawei to EU 5G networks. And of course the EU and the Trump administration struck a [mini-tariff-reduction deal](#) in August 2020. So, both sides could with the right political push get off to a good start, and perhaps then proceed sequentially to a previously mooted zero-tariff-on-industrial-goods deal, followed by far harder areas like agriculture, public procurement, services or finance.

Regulatory collaboration and other behind the border barrier reduction talks must be better institutionalized and be continuous in fast moving digital and dataflow dependent sectors, and other emerging technologies. Unless American and EU regulators talk to each other constantly and actively seeks to reach common positions—requiring strong top-level political guidance—attempts to form a common regulatory front against China will likely fail. Without much deeper transatlantic regulatory collaboration, the ever-growing weight of the Chinese domestic market will continue to manifest itself as the (soon) principal driver of global standards in many products and services. Only with more common transatlantic standards, will the United States and Europe be able to offer a liberal-democratic alternative to the extraterritoriality of China's rising purchasing power.

A possible Biden administration will face a very long list of domestic challenges, and Joe Biden will, despite his long career in foreign affairs, be compelled by the dire straits America is in right now to be a predominantly domestic president. The political space in Washington for major foreign economic policy initiatives will therefore be limited. This makes it imperative that the incoming Portuguese and Slovene EU presidencies make a concerted effort now to get all EU members and the European Parliament thinking in 2021 about their transatlantic economic priorities and the opportunities ahead with a new partner in Joe Biden.

Europe may never get a closer friend in the White House, and being ready to grasp his hand to strengthen economic relations in the 2020s will be vital for the achievement of Europe's own strategic priorities.

This is part of our series on the policy implications of the 2020 U.S. elections for U.S. allies—you'll find the rest of the series [HERE](#).

The views expressed in GMF publications and commentary are the views of the author(s) alone.

About GMF

The German Marshall Fund of the United States (GMF) is a non-partisan policy organization committed to the idea that the United States and Europe are stronger together. GMF champions the principles of democracy, human rights, and international cooperation, which have served as the bedrock of peace and prosperity since the end of World War II, but are under increasing strain. GMF works on issues critical to transatlantic interests in the 21st century, including the future of democracy, security and defense, geopolitics and the rise of China, and technology and innovation. By drawing on and fostering a community of people with diverse life experiences and political perspectives, GMF pursues its mission by driving the policy debate through cutting-edge analysis and convening, fortifying civil society, and cultivating the next generation of leaders on both sides of the Atlantic. Founded in 1972 through a gift from Germany as a tribute to the Marshall Plan, GMF is headquartered in Washington, DC, with offices in Berlin, Brussels, Ankara, Belgrade, Bucharest, Paris, and Warsaw.



Ankara • Belgrade • Berlin • Brussels • Bucharest
Paris • Warsaw • Washington, DC

www.gmfus.org