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# PRESERVING SPACE FOR COOPERATION IN AN ERA OF TRANSATLANTIC TURBULENCE

JAMIE FLY AND ERIK BRATTBERG



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## SUMMARY:

Almost eighteen months into the Trump administration, much of the traditional partnership between the United States and Europe is under severe, and in many ways unprecedented, stress. Up to this point, the relationship has been dominated by the myriad of issues on which Washington and European capitals diverge — whether the Paris agreement, the recognition of Jerusalem as the capital of Israel, withdrawal from the JCPOA with Iran, or more recently steel and aluminum tariffs. The Trump administration certainly bears primary responsibility for what is perceived in Europe as a rudderless if not even hostile alliance policy. Yet, despite these differences, the United States and Europe are the most natural partners to confront the 21st century challenges facing liberal democracies. The threats from challengers such as China and Russia will only grow more unmanageable if transatlantic partners retreat into their corners. A way forward on areas of agreement, and areas where mutually beneficial bargains can be carved out, must be found despite the turmoil.

Managing ongoing cooperation and avoiding a split over the inevitable disagreements will be a key challenge for policymakers on both sides of the Atlantic over the coming months and years. Yet, there is a need to go beyond just managing ongoing cooperative efforts to also reinvent the transatlantic agenda — it is time for Washington and European capitals to develop a positive agenda that gives new meaning to the transatlantic alliance. This should include stepping up the U.S. engagement within Europe itself, strengthening the U.S. presence and engagement on Europe's periphery, and capitalizing on opportunities to work with Europe on addressing shared global challenges. In particular, the Trump administration should focus on four key objectives in the coming three years — cooperation on addressing the rise of China, supporting new EU defense initiatives as part of transatlantic burden-sharing, completing the European project, and ensuring strong U.K.-EU ties post-Brexit. Ultimately, U.S. and European policymakers still share some common ground where practical cooperation can be advanced.

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*The views expressed in GMF publications are the views of the author alone.*

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## Introduction

A year and a half into the Donald Trump presidency, depending on the observer, the transatlantic relationship is at best in a state of flux, at worst on its deathbed. Prominent newspapers such as *Der Spiegel* and *Foreign Policy* boldly proclaim that “The West as we once knew it no longer exists” and that “Donald Trump drove the last nail into [the transatlantic alliance’s] coffin”.

European leaders have joined the chorus. After Trump’s decision to pull out of the Joint Comprehensive Plan of Action (JCPOA) nuclear agreement with Iran, Angela Merkel repeated her famous line that Europe can no longer rely on America and needs to stand on its own feet whereas the former Swedish Prime Minister Carl Bildt called it an “assault on Europe’s sovereignty.”<sup>1</sup> Even Donald Tusk, one of the most staunchly Atlanticist EU leaders, quipped that “with friends like that, who needs enemies.”<sup>2</sup> Trump’s recent decision to impose unilateral tariffs on European steel and aluminum producers and his handling of the recent G-7 summit in Quebec have only added further fuel to the fire, with Angela Merkel calling Trump’s actions, “sobering and somewhat depressing.”

Although some of the histrionics about President Trump’s impact on the relationship are overwrought, it is clear that the traditional partnership is under severe, and in many ways unprecedented, stress. The Trump administration certainly bears responsibility for what is perceived in Europe as a rudderless if not even hostile alliance policy. President Trump’s at times overt hostility toward U.S. allies and lack of strategic vision for America’s European partners comes as the administration has upended much of the transatlantic agenda inherited from the Obama

administration. Whether the Paris agreement, the recognition of Jerusalem as the capital of Israel, the JCPOA Iran nuclear deal, or more recently steel and aluminum tariffs, Washington and European capitals are increasingly at odds.

Yet, despite these differences, the United States and Europe are the most natural partners to confront the 21st century challenges facing liberal democracies. While disagreements and clashes over a number of crucial issues seem unavoidable for the foreseeable future, containing their negative spillover from affecting the broader transatlantic relationship must be the central challenge for transatlantic leaders for the duration of the Trump era. Under Trump, the

U.S. has already committed itself to the Atlantic alliance and stepped up investments into European security, maintained and even increased sanctions against Russia, and boosted support to Ukraine. Ensuring that this agenda continues despite disagreements in other policy areas is paramount.

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At the same time, there is a need to go beyond just managing ongoing cooperative efforts to also reinvent the transatlantic agenda. Fortunately, some serious efforts to develop a more comprehensive and forward-leaning agenda toward Europe are underway within the administration. In particular, Assistant Secretary of State for European and Eurasian Affairs, Wess Mitchell, has presented the elements for a new U.S. strategy toward Europe.<sup>3</sup> Using the National Security Strategy<sup>4</sup> as a reference point, this strategy starts with the observation that Europe is once again a theater of geopolitical competition between great powers. It consequently seeks to upgrade the U.S. and European capabilities to confront these common challenges. At its face, this strategic approach has many merits. The fact that the administration is indicating it still wants to find ways of working with Europe is also positive.

1 Carl Bildt, “Trump’s Decision to Blow Up the Iran Deal is a Massive Attack on Europe,” *The Washington Post*, May 12, 2018, <https://www.washingtonpost.com/news/global-opinions/wp/2018/05/12/trumps-decision-to-blow-up-the-iran-deal-is-a-massive-attack-on-europe/>.

2 European Council, “Remarks by President Donald Tusk ahead of the EU-Western Balkans summit and the Leaders’ agenda dinner,” May 16, 2018, <http://www.consilium.europa.eu/en/press/press-releases/2018/05/16/remarks-by-president-donald-tusk-ahead-of-the-eu-western-balkans-summit-and-the-leaders-agenda-dinner/>.

3 Wess Mitchell, “The Transatlantic Bond: Preserving the West,” speech at the Heritage Foundation, June 5, 2018, <https://www.heritage.org/europe/event/the-transatlantic-bond-preserving-the-west>.

4 White House, “National Security Strategy of the United States of America,” December 17, 2018, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

But what should the U.S. priorities in Europe be in an era of strategic competition? How can Europe best help serve overall U.S. aims of pushing back against Russian and Chinese expansionism? And what are areas of cooperation Washington can still engage Europe on? This paper argues that a U.S. strategy for Europe should include four key objectives: developing a common approach toward a rising China; achieving greater transatlantic burden-sharing; completing the European project; and ensuring strong post-Brexit U.K.–EU ties. Of course, this is by no means a comprehensive list but rather an attempt to identify some concrete areas where there is a realistic chance of advancing U.S. engagement with Europe and strengthening transatlantic cooperation during what is likely to be a tumultuous period. Other opportunity areas could include cooperation on authoritarian interference attempts in transatlantic democracies, Russia sanctions, energy security, cybersecurity, support for Ukraine, counterterrorism, or space issues, to mention a few.

## *Overcoming Historical Differences*

Transatlantic divergences and disagreements are hardly anything new. Every decade or so, the United States and Europe engage in often tumultuous debate over core issues. For example, the 1956 Suez crisis put Britain and France directly at odds with U.S. interests in the Middle East. In the 1960s, French President Charles de Gaulle sent tremors when he pulled France out of NATO's integrated military command. During President Reagan's administration, hundreds of thousands of Europeans protested the deployment of U.S. intermediate-range ballistic missiles. And in 2003, the gap in threat perception exploded into view during the lead-up to the Iraq War, while during the Obama administration Europeans took to the streets to protest a possible transatlantic trade agreement and European politicians expressed outrage over the revelations made by National Security Agency contractor Edward Snowden. The United States and its European partners have braved much turmoil

and turbulence over the years. But time and again, both sides have recognized that they are stronger together than apart and through crisis has come a certain degree of cohesion and resilience.

***“ Many Europeans feel like Washington no longer has its best interest in mind, no longer shares the same fundamental values, and is even taking a hostile approach toward Europe.”***

If deeper and more enduring challenges to the transatlantic relationship are to be avoided, current transatlantic leaders must recapture some of this spirit as they struggle with the Trump administration on critical issues. But what is different about this particular moment is that

many Europeans feel like Washington no longer has its best interest in mind, no longer shares the same fundamental values, and is even taking a hostile approach toward Europe. Lost in this analysis is the fact that Americans and Europeans have disagreed regarding many of the issues currently dividing the partners, (burden-sharing, Iran, and climate change) for decades.

The challenge for policymakers on both sides of the Atlantic will be to ensure that obvious differences on issues such as trade tariffs, climate change and Iran do not end up defining the broader transatlantic agenda. Given that these disagreements are unlikely to go away anytime soon, this will require also paying more attention to other sets of issues where cooperation has more potential to be fruitful.

It will also require both sides to adjust their expectations of the other. In some respects, the success of the world's greatest alliance has planted the seeds of its own downfall. Generations of transatlantic leaders came to believe that America and Europe must unite to tackle every global challenge. In the wake of 9/11, the George W. Bush administration took NATO to war outside of Europe for the first time. Yet disagreements over shared responsibility in Afghanistan, Iraq, Libya, and Syria, greatly strained the Alliance. So did President Obama's decision to lead from behind during the Libya crisis in 2011, his failure to enforce his red line on Syria 2013 which caught some European allies by complete surprise, or his “pivot” to Asia which was interpreted by many Europeans as disengagement from their continent.



America's European partners also need to understand that President Trump is not an aberration, but an embodiment of fundamental shifts in Americans' thinking about their role in the world after 17 years of war and lasting impacts from the Great Recession. Just as President Obama derided the "free riding" of allies and wanted to devote more attention to nation-building at home, many Americans are convinced that their leaders should demand more of allies that do not pay their fair share while criticizing America's go-it-alone instincts.

Both sides of the Atlantic need to show more realistic expectations of the other. When Europe and the United States can agree, they can present an impressive force. Yet, the most successful friendships are able to manage discord and disagreement, not eliminate it. Transatlantic allies have repeatedly shown themselves in recent years unable to take this approach. Trump's extreme unpopularity in Europe makes this task all the more difficult.

## *Embracing Our Common Strengths*

In a century that will be marked by technological and economic change and increased authoritarian challenges, the United States and Europe are more similar than they are different. Europeans complain that Trump is reducing U.S. support for multilateralism and is pursuing a more protectionist trade agenda. While these complaints are factually correct, they must be caveated by the fact that the EU has much less in common with their authoritarian challengers such as China and Russia.

Russia is actively undermining Ukraine's sovereignty and enabling atrocities in Syria and consistently blocking any meaningful action in the UN Security Council pertaining to these issues. Vladimir Putin's regime is also attempting to destroy democracy from within our societies, exploiting societal divides in an effort to weaken the West.

**“ Both the United States and Europe still share a common strong commitment to open societies, liberal values, and preference for a rules-based international order.”**

Meanwhile, China is pursuing a mercantilist economic policy aimed at siphoning off Western technologies and know-how while restricting its own market from foreign competition. The biggest threat to the global economic system is not U.S. steel and aluminum tariffs — as unfortunate and misguided as they may be — it is Beijing's complete disregard for its World Trade Organization commitments. Moreover, its military build-up in the South China Sea and undermining of democracy in Taiwan, Hong Kong, Australia, and New Zealand are clear signs of what an alternative Sinocentric regional order across Eurasia would mean for democratic societies.

Domestically, the United States and its European partners face many of the same domestic challenges. Publics on both sides of the Atlantic are frustrated by economic and demographic change resulting in rising populism. They see increased threats to domestic security. They are uncertain about their future and that of their children and grandchildren.

As the international system inevitably moves toward greater multipolarity, the West must stick more closely together, lest it wants to see its influence further dwindle. Both the United States and Europe still share a common strong commitment to open societies, liberal values, and preference for a rules-based international order. Despite the fact that the President himself and some of his administration does rhetorically question some of these core principles there is so far little evidence of a deep or broad abandonment of these values by Washington. What's more, both sides bring unique capabilities to the table: the United States as the world's premier military power and Europe as the world's largest trading bloc. Combined, the United States and Europe still represent almost half of the world's GDP.

Although Trump frequently complains about the lack of European defense spending, aggregate European defense spending exceeds \$230 billion<sup>5</sup> (Russia, by

5 Eurostat website, "How Much is Spent on Defense in the EU?" July 6, 2017, <http://ec.europa.eu/eurostat/web/products-eurostat-news/-/EDN-20170607-1>.

comparison, spends only around \$66 billion). That said, in an increasingly competitive geopolitical environment, neither side can afford to act alone. “America alone” will not succeed in tackling the twenty-first century challenges. The only way to deal with the threat posed by rising and resurgent powers is by leveraging the ultimate advantage that China and Russia lack: friends and allies rooted in common ideals and a shared history of sacrifice in service of a greater good.

## Four Key Objectives for a U.S. Strategy for Europe

### 1. Developing a Common Approach toward a Rising China

The rise of China is the most serious challenge to the rules-based international order and to the prosperity and security of the transatlantic democracies in the 21st century. In Washington, there is now a bipartisan consensus on the failure of previous policies that embraced the idea that China would open up its political system as its economy advanced, and growing bipartisan agreement that the United States must take a harder line toward Beijing.<sup>6</sup> This view is codified in the National Security Strategy (NSS) which depicts China as a strategic competitor seeking to “challenge American power, influence, and interests.”

Developing a common approach to push back against Chinese expansionism is essential. There is growing transatlantic convergence on China, at least when it comes to Beijing’s practices in the economic sphere, that the Trump administration should capitalize on. Four issues in particular stand out where there is potential for greater transatlantic cooperation: addressing China’s economic practices,

responding to the Belt and Road Initiative, protecting against Chinese influence at home, and shaping the regional security order in the Asia-Pacific.

### *Addressing China’s Unfair Economic Practices*

The shift in U.S. thinking on China has been accompanied by growing concerns in Europe over certain Chinese economic practices, such as strategic acquisitions of European companies and the lack of reciprocal access to the Chinese market. On top of this, initiatives such as the Belt and Road Initiative and the 16+1 framework has Brussels, Paris, and Berlin increasingly concerned about China’s efforts to assert itself not just economically but also exert political influence over regional countries, some of whom are EU members or partnership states. The NSS recognizes the challenge to U.S. interests, noting that “China is gaining a strategic foothold in Europe by expanding its unfair trade practices and investing in key industries, sensitive technologies, and infrastructure.”

In principle, the convergence of views on both sides of the Atlantic should provide ample opportunity for transatlantic cooperation on China. In fact, the NSS mentions that the United States “will work with

our partners to contest China’s unfair trade and economic practices and restrict its acquisition of sensitive technologies.” An obvious such area of cooperation between Washington and Brussels is aligning tariffs and counter-dumping measures against Beijing and cooperating in the WTO. Intellectual property is also one of the top priorities in the NSS, just as it is becoming a concern in some of the major European capitals. While U.S.–EU–Japanese dialogue on addressing unfair Chinese

economic practices is already taking place,<sup>7</sup> the Trump administration’s decision to invoke section 232 to impose unilateral steel and aluminum tariffs against European countries will have the opposite effect. Rather than checking China’s ambitions,

“**Rather than checking China’s ambitions, the Trump administration is committing what is essentially friendly fire, dividing a natural coalition of partners concerned by Chinese behavior.**”

6 Ratner, Ely and Kurt M. Campbell, “The China Reckoning,” *Foreign Affairs*, March/April 2018 issue.

7 United States Trade Representative, “Joint statement by the United States, European Union and Japan at MC11,” press release, December 12, 2017.

the Trump administration is committing what is essentially friendly fire, dividing a natural coalition of partners concerned by Chinese behavior. This will only increase Beijing's confidence and assertiveness on the global stage, allowing Chinese leaders to claim the moral high ground as supporters of multilateral and open trade. A more effective U.S. strategy would be to drop the punitive tariffs against Europe, Japan, and other allies and instead work together around a joint approach towards China within the WTO.

### *Responding to the Belt and Road Initiative*

Europe and the United States can also work together to respond to China's Belt and Road Initiative. The European Union is completing a mapping project that will be released in the coming months examining Euro-Asian connectivity. In many respects, due to Beijing's expansive vision for the Belt and Road, which in some iterations extends to European rail networks and ports, European strategic thinking regarding the Belt and Road is more advanced than that in Washington. The United States and Europe should seek to partner with other interested countries in the region such as Japan, India, Australia, South Korea, and Taiwan to provide alternative financing mechanisms for countries in Central Asia, South Asia, and Southeast Asia. This should include providing finance for both infrastructure projects but also soft connectivity projects such as telecommunications networks.

Better coordination is also needed between international financial institutions and multilateral and regional donors. Such action could potentially help nudge Chinese investors to become more accountable, open and transparent if recipient countries have alternative options for financing and investment on better terms than those offered by Beijing. These efforts must also be complemented with a redoubling of Western efforts to support strong political systems and respect for rule of law across Eurasia and Southeast Asia in order to foster more resilience among regional states to withstand Chinese influence.

### *Study and Resist China's Political Influence*

While rapidly expanding its influence in Asia, China is also making inroads into transatlantic democracies. Adapting tools that Russia has long utilized to

interfere in democracies, China presents an even greater long-term challenge to the independence of democratic societies. Utilizing China's massive business community and the fact that many Western companies, despite the risks, still remain focused on the allure of more than 1.4 billion consumers, Beijing is able to utilize leverage unimaginable for Moscow. The transatlantic allies need to begin a serious conversation about the threats of Chinese interference and the best ways to tackle this challenge, in particular how to build more resilience at home. The United States and Europe should focus particular attention on Central and Eastern Europe. Many states in the region are at risk of deepening ties with Beijing due to declining support from Brussels and a perceived disengagement from Washington on issues such as democracy and the rule of law. Priority areas include the sharing of information regarding Chinese influence and exchanging best practices and lessons learned for how to effectively address this challenge, in particular nascent Chinese efforts to influence European politicians and policy debates.

### *Increase Strategic Cooperation in Asia*

While the United States and European countries have different threat perceptions regarding the non-economic aspects of strategic competition with China, they share concerns about the challenges posed by Beijing to the rules-based international order. Both sides are, for example, concerned with Beijing's assertive policies in the South China Sea and its wider potential impact on international law, rule of law, and global commerce. The European Union has even taken to touting the first of several freedom of navigation operations, or "EU Fonops" in the South China Sea that have utilized French naval assets with the personnel and hardware of other EU member states on board.<sup>8</sup>

There is an opportunity to strengthen U.S. cooperation on security issues in the Asia-Pacific with those European states with a sizable regional presence: France and the U.K. France, in particular, has demonstrated a strong interest in contributing to promoting a free and open Indo-Pacific order. In fact, French strategic documents have long talked

<sup>8</sup> Jonas Parelló-Plesner, "The French Navy Stands Up to China," *Wall Street Journal*, June 7, 2018, <https://www.wsj.com/articles/the-french-navy-stands-up-to-china-1528411691>.

about an Indo-Pacific vision so there should be natural overlap as Washington is currently developing its own Indo-Pacific strategy. Importantly, France is the only country in the EU after Brexit with military installations and a territorial presence in the Asia-Pacific. France still maintains some 8,000 military personnel in the region in addition to a sizable naval presence. Under President Emmanuel Macron, France has recommitted itself to Asia while the U.K. has announced a “Pacific pivot.” There is also speculation that a formal invitation could even be extended to France and Britain to join the U.S.-led Quad cooperation format with India, Japan, and Australia. But even beyond this, both Paris and London have active cultivating bilateral ties with key regional states such as India, Japan, and Australia, as part of an effort to build a web of “strategic partnerships” with regional states. Their presence in the region helps send a clear message to Beijing and serves broader U.S. interests in the region. The two countries would do well to further enhance their cooperation in and dialogues about the region so as to also pave the way for other European countries to consider Asia-Pacific security contributions as part of the transatlantic burden-sharing prism. The United States should also seek to broaden strategic conversations regarding Asia with other EU member states, especially Germany, which should deepen its foreign and defense ministry contacts in the region.

In sum, multilateral cooperation surrounding the rise of China must not be abandoned by Washington who should instead seek to act in a coordinated way with Europe and other leading partners such as Japan to address shared concerns about China through multilateral platforms. This requires dropping unnecessary trade actions against Europe and elevating China to high-level transatlantic fora, making it a regular item in U.S.–European official engagements and to foster coherence in policy outputs. The United States and the EU should also ensure regular information-sharing and joint monitoring of the nature and extent of Chinese investments and economic activities in Europe.

## 2. Taking a Pragmatic Approach to Transatlantic Burden-sharing<sup>9</sup>

Just like his recent predecessors, President Trump has made military burden-sharing a centerpiece in U.S. policy toward NATO Allies. Although a long-standing U.S. criticism against European allies, Trump has opted for a more direct confrontational approach, even threatening to withhold the U.S.

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commitment to NATO’s Article 5 defense clause. Despite his unconventional style, Trump is correct to make burden-sharing a focal point and his threats appear to have delivered results as allies have begun to finally spend more on their defense.<sup>10</sup> Only a handful of NATO countries fulfill the 2 percent defense spending pledges allied agreed to at the 2014 Wales summit, resulting in the United States

still accounting for some 70 percent of overall NATO spending. Ultimately, the lack of European defense spending and investments in defense research and development is a serious problem for transatlantic security in an era of renewed great power competition and continued asymmetric threats.

Washington should therefore continue to make burden-sharing a key focus of U.S. policy toward NATO. However, lambasting Europeans for their lack of spending by threatening U.S. disengagement from NATO is simply not a constructive strategy, as transatlantic divisions will be exploited by adversaries. One way the United States can encourage greater European burden-sharing and responsibility for military matters is through encouraging the development of European defense cooperation initiatives taking place outside of the NATO format. In recent decades, debates about European defense have often divided Washington from European capitals. Yet, ironically, the presence of Donald

<sup>9</sup> This section is based on Erik Brattberg and Jamie Fly, “Two Cheers for European Defense Cooperation,” *Foreign Policy*, March 9, 2018; and Erik Brattberg, “Beyond European Versus Transatlantic Defense,” The German Marshall Fund of the United States, January 11, 2018.

<sup>10</sup> Jonathan Stearns, “NATO Members Post New Defense-Spending Increase,” *Bloomberg*, March 15, 2018, <https://www.bloomberg.com/news/articles/2018-03-15/nato-members-post-new-defense-spending-rise-amid-trump-pressure>.



Trump in the White House may present the best opportunity for Europeans to finally make progress in increasing their collective defense capabilities.

Over the past year, European defense collaboration has made significant strides, including notably the creation of Permanent Structured Cooperation (PESCO) and the European Defense Fund (EDF). The United States should support these initiatives since they have the potential to strengthen a European pillar within NATO and generate greater transatlantic burden-sharing. Agreed on in December 2017, PESCO encourages smaller constellations of like-minded EU countries to team up around developing capabilities and increasing operational ability. The EDF allocates significant EU Commission funding towards common defense projects and can provide new incentives for cooperation on innovation and defense industrial consolidation. These and other ongoing efforts are part of a comprehensive yet pragmatic approach to the EU defense dimension that seeks to better utilize different EU instruments to build national capabilities which can then be used for either deterrence and operations for both the EU and NATO or in another format. A good practical illustration of the EU's contributions to NATO is its work on advancing the concept of military mobility in Europe, which serves the Alliance's efforts to provide deterrence on its Eastern Flank.

On top of this, President Macron has outlined a new European Intervention Initiative to bring together a smaller group of capable militaries around capability development and operations. The deep bilateral military partnership between the United States and France that has emerged over the past decade, particularly when it comes to military operations in the Middle East and North Africa, should help ensure U.S. support of this initiative. The fact that the proposed initiative would include Britain, the only other European state with significant

expeditionary capabilities, is noteworthy. Although there is still a lack of clarity about the details, including its level of ambition and institutional affiliation, the goals of E2I — to share intelligence, policy planning, and contingency plans to foster a “European strategic culture” that would help during future interventions<sup>11</sup> — are in principle welcomed by Washington. Besides Macron's intervention initiative, other bilateral, sub-regional and regional defense initiatives are also springing up across Europe. The United States should pay attention to and seek to play a supportive role in these formats one a case-by-case basis.

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Given that these are examples of Europeans being willing to spend more and do more for European defense, in principle, these initiatives should be welcomed by the Trump administration as a response to U.S. concerns.<sup>12</sup> However, some U.S. officials have been overly critical of these new initiatives. Among the reported concerns are that the EU's efforts could shift attention or divert precious resources away from NATO and exclude non-EU countries. Additionally, and especially

for the Trump administration, there are concerns that closer European integration on defense might lead to European militaries buying less U.S. defense equipment.<sup>13</sup>

This is unfortunate since PESCO, the European Defense Fund, and other related initiatives are not European defense proposals of the past. They start from the premise that European militaries need to be able to do more — the same goal espoused by the Trump administration. There is no reason

11 Nick Witney, “Macron and the European Intervention Initiative: Erasmus for Soldiers?” European Council on Foreign Relations, May 22, 2018, [https://www.ecfr.eu/article/commentary\\_macron\\_and\\_the\\_european\\_intervention\\_initiative\\_erasmus\\_for\\_sold](https://www.ecfr.eu/article/commentary_macron_and_the_european_intervention_initiative_erasmus_for_sold).

12 White House, “Remarks by President Trump at NATO Unveiling of the Article 5 and Berlin Wall Memorials — Brussels, Belgium,” May 25, 2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-nato-unveiling-article-5-berlin-wall-memorials-brussels-belgium/>.

13 Steven Erlanger, “U.S. Revives Concerns About European Defense Plans, Rattling NATO Allies,” *New York Times*, February 18, 2018, <https://www.nytimes.com/2018/02/18/world/europe/nato-europe-us.html>.

to think Europeans are trying to undermine or replace NATO. No one in Europe seriously believes Europe can defend itself against Russia without NATO's support. Instead, stronger EU defense cooperation could actually complement NATO, generating more military efficiencies to the benefit of both organizations. Furthermore, given Trump's unpopularity in Europe, European defense could also provide political space for countries such as Germany to finally increase its defense spending. Given the abysmal state of the German military and President Trump's incessant focus on Germany's failure to meet its NATO obligations, such a development would clearly help reduce transatlantic tensions.

In fact, as long as EU defense efforts take into account NATO activities and priorities and seek to maintain interoperability with the alliance, they might actually represent one of the best chances of finally bringing about increased European defense spending and more capabilities — including joint procurement of existing capabilities and investments in emerging technologies and systems — to the benefit of both European and transatlantic security. Moreover, greater strategic autonomy, including access to critical capabilities, is essential should Europe be able to play a bigger security role in its own neighborhood such as in the Middle East, North Africa and the Sahel, and sub-Saharan Africa. Given the U.S. desire to reduce its presence from these regions and devote more attention to great power competition, this would free up U.S. forces to be deployed elsewhere.

The Trump administration, rather than voicing skepticism about Europe's defense efforts, should instead adopt a more constructive stance. Simply calling for more defense spending is not a strategy. Washington needs to engage and shape European policies rather than just respond to what comes out of Brussels. Dropping the knee-jerk criticism against European defense would also promote a more positive agenda between the U.S. administration and the EU. Ultimately, a stronger European pillar within NATO will be required in order to achieve greater transatlantic burden-sharing. A balanced approach that seeks to promote deeper European defense cooperation through practical measures while safeguarding NATO as the bedrock of European security should be Washington's new goal.

The next NATO summit in Brussels in July 2018 therefore provides an excellent opportunity to clarify how the U.S. administration view European defense initiatives and for European capitals to outline their plans for the future of European defense.

### *3. Complete the European Project*

The United States has traditionally been a staunch supporter of European integration, which it has seen as a way to foster greater European unity to stand up against common adversaries. Moreover, after the end of the Cold War, the United States vigorously supported the incorporation of countries in Central and Eastern Europe into Euro-Atlantic institutions like NATO and the EU under the rubric of "Europe whole and free and at peace." However, many of the Central and Eastern European countries that have recently joined the EU and NATO are currently undergoing democratic roll-back and challenges to the rule of law. On top of this, the enlargement agenda remains uncertain. The two issues are connected as further enlargement in Central and Eastern Europe will be undermined if some of the EU's newer members continue to face democratic backsliding, which could perpetuate a weakening of the EU.

Meanwhile, in Brussels, Berlin, and Paris, completion of the European project is often viewed in the context of deepening European integration rather than consolidating peace and stability across Europe's periphery. This stalling of the European project comes as Europe's frontline states have other options. In addition to continued Russian attempts to interfere in their politics and economies, China is on the horizon, offering investment and increasingly political support that has been welcomed by some Central European leaders.

#### *Recommit to the European Union*

Supporting the "European Project," a long-standing cornerstone of U.S. foreign policy, must remain a priority, especially at a time when Europe is confronting numerous internal and external pressure points — whether Brexit, the unresolved Eurocrisis or the consequences of the 2015–2016 migration crisis. As President Dwight Eisenhower noted in a speech in London in 1951, "a solid, healthy, confident Europe would be the greatest

possible boon to the functioning and objectives of the Atlantic Pact.”<sup>14</sup> These observations remain just as true today three quarters of a century later. In the same vein, the new National Security Strategy mentions that “a strong and free Europe is of vital importance to the United States” and that “United States is safer when Europe is prosperous and stable, and can help defend our shared interests and ideals.”

The fears stoked by Donald Trump about a possible shift in American support for the EU has many Europeans understandably concerned. So far, the administration’s record is mixed. While Trump has not translated his early support for Brexit and far-right politicians like Marine Le Pen into overt anti-EU policies, European officials frequently complain about a lack of appreciation for the EU in the administration. For example, former Secretary of State Rex Tillerson’s flagship speech on the administration’s Europe strategy emphasized “strong, sovereign, and independent nations,” which could be interpreted as in opposition to the multilateral nature of the EU. At a rally in Michigan in April 2018, President Trump was more direct, saying that the European Union was “formed to take advantage of the U.S.” In a meeting with President Macron in the White House, Trump reportedly called the EU “worse than China” on trade.<sup>15</sup>

Some EU officials also complain about the administration’s strong emphasis on bilateral relations with individual member states rather than with the EU, although this would hardly be something new for U.S. administrations. Some of the Trump administration’s specific policies — such as tariffs and even his withdrawal from the JCPOA — are also interpreted on the other side of the Atlantic as hostile and specifically directed against the EU and multilateralism as such. However, the temptation to pursue a transactional bilateralism in

order to obtain certain concessions from individual EU member states must be weighed against the destabilizing and divisive effects such an approach could have in Europe and the opportunities it would open up for Russia and China. While more active U.S. engagement with Central and Eastern European countries is welcome, American officials should be wary of creating an impression that they are favoring these countries over Western European ones since it could risk rekindle fears about an unhealthy division between “Old” and “New” Europe. In short, engaging more with one part of Europe should not come at the expense of another.

Deepening the divide is the fact that a year and a half into the Trump administration it still remains unclear what the U.S. priorities are when it comes to its relations with Europe. Many ambassadorships (including the role of U.S. ambassador to the EU) remain unfilled and personnel turnover at the National Security Council and State Department have left the relationship with few senior champions and failed to form personal relationships across the Atlantic. A course correction to recommit the

**“ A strong EU ultimately provides the United States with an unparalleled foreign policy partner, particularly on issues such as sanctions and trade policy.”**

United States to the EU and the cause of European integration is in the interest of the United States in order to defend U.S. interests. For instance, eurozone reform is essential to avert further financial shocks in Europe that could impact U.S. economic interests. Of course, defending the outcome of European integration does not mean that Washington must necessarily take a stand on all the thorny internal European matters, especially since the debate on EU integration is highly divisive within Europe itself.

Should the EU disintegrate, it would provide adversarial actors like Russia and China ample opportunities to wield influence and divide European states among each other. Moreover, a strong EU — even if it sometimes disagrees with Washington on certain issues — ultimately provides the United States with an unparalleled foreign policy partner, particularly on issues such as sanctions and trade policy. The temptation of some in the Trump administration to engage Europe’s rising

<sup>14</sup> Dwight D. Eisenhower, speech at the English-Speaking Union Dinner at Grosvenor House, Park Lane, London, July 3, 1951.

<sup>15</sup> Jonathan Swan, “Scoop: Trump tells Macron the EU is “worse” than China”, Axios, June 10, 2018, <https://www.axios.com/donald-trump-emmanuel-macron-eu-worse-than-china-trade-tariffs-57f53e00-8b5c-4931-9d05-97ee0b510fd5.html>.

class of populist right-wing leaders is likely to prove shortsighted given that many of these movements are pro-Russian and even anti-American, lacking the shared vision necessary for transatlantic cooperation on terms that benefit the United States.

### *Curbing Democratic Backsliding in Central and Eastern Europe*

Illiberal trends and democratic backsliding in Central and Eastern Europe are worrisome as it constitutes an internal threat to the transatlantic community and the values underpinning it. The situation in countries such as Poland and Hungary is particularly acute (according to Freedom House, Hungary now has the lowest freedom score in the entire EU)<sup>16</sup> but others are also at risk. These developments run counter to U.S. interests in the region.

The democratic backsliding in many countries in Central and Eastern Europe is connected to a commensurate decline in transparency and the rule of law. According to data from Transparency International, Hungary has consistently dropped since 2014 in terms of corruption. Poland has experienced a similar decline since 2015. Besides distorting the free market economy, corruption, and the deterioration of rule of law contribute to worsening the business environment for U.S. companies operating in the region.

Furthermore, the autocratic tendencies and rising euroskepticism in some of the countries in the region provides an opening to Russia (and potentially China) to step in.<sup>17</sup> For example, Hungary is already a proponent of stronger EU relations with Vladimir Putin and has sought to block EU sanctions against Russia. Similarly, countries such as Hungary and the Czech Republic are openly inviting Chinese

investments in sectors such as infrastructure and have been accused of “China courting.” Hungary have even gone so far as to openly describe China as an alternative to Brussels and has tried to dilute an EU statement condemning China’s actions in the South China Sea.<sup>18</sup> At a time when Washington is trying to corral the EU to adopt tougher measures against China, having some European governments undermine EU consensus regarding Beijing’s actions and cultivating closer economic and political bilateral ties with Beijing is not helpful.

Moreover, rising societal tensions, corruption and anti-Western views in countries in Central and Eastern Europe produce a conducive environment for Russia to deploy “hybrid warfare” tactics. By interfering in domestic politics, supporting political groups and nongovernmental organizations and undermining support for the West, Moscow can help weaken regional commitments to NATO and the United States. The National Security Strategy acknowledges this problem: “Rival actors use propaganda and other means to try to discredit democracy. They advance anti-Western views and spread false information to create divisions among ourselves, our allies, and our partners.” While

Russian hybrid tactics is a threat to the entire West, it is a particular menace in many countries in Central and Eastern Europe.

For these reasons, the U.S. administration cannot afford to stand idly by as its own interests are being undermined. There are some worrying signs that the Trump administration may be tempted to intervene less in what it sees as

internal domestic affairs inside countries, especially NATO Allies who are simultaneously useful military partners. Trump’s visit to Warsaw in July 2017 was interpreted by some in the Polish government as an endorsement of its policies and a snub to the EU. However, an active U.S. role and speaking frankly about concerns is not in contradiction with

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<sup>16</sup> Freedom House, “Freedom in the World 2018,” [https://freedomhouse.org/sites/default/files/FH\\_FITW\\_Report\\_2018\\_Final\\_SinglePage.pdf](https://freedomhouse.org/sites/default/files/FH_FITW_Report_2018_Final_SinglePage.pdf).

<sup>17</sup> See, for instance, “Sharp Power: Rising Authoritarian Influence,” National Endowment for Democracy, December 2017.

<sup>18</sup> Lawrence Norman, “EU Issues South China Sea Statement Ending Discord Within Bloc,” *Wall Street Journal*, July 17, 2016, <https://www.wsj.com/articles/eu-issues-south-china-sea-statement-after-failing-to-agree-common-stance-1468583961>.



seeking deeper bilateral defense relations or high-level engagement with what remain allied nations. On the contrary, it gives Washington credibility to have a robust partnership while denying adversarial powers opportunity to step in. Finally, maintaining a strong commitment to Western democratic values and norms within the transatlantic community is essential for pushing back against Russia's and China's efforts to spread authoritarian governance model elsewhere in the world.

**“ The success of countries on Europe’s periphery represent decades of U.S. support for freedom and democracy in the region in the face of the Soviet threat”**

Active engagement from Washington is necessary in order to send a clear message to leaders in capitals such as Budapest and Warsaw. The United States should also continue — or at the very least not cut or scale back — on-the-ground efforts to support democracy and civil society across the region. While the State Department has responded to events in Poland and Hungary with robust statements, there is still a need for commensurate high-level engagement from the White House.

### *Projecting Stability in Europe’s Periphery*

To this day, bipartisan support in Washington for further EU and NATO enlargement remains strong. The accession of Montenegro to NATO in 2017 is a case in point. However, the future Euro-Atlantic integration agenda also needs a renewed push from policymakers on both sides of the Atlantic.

One area where the EU is currently revamping its own enlargement strategy is in the Western Balkans. A combination of unique opportunities and challenges is currently facing this region. In particular, the new Western Balkans strategy of the European Commission aims at adding much-needed momentum to the EU integration of the region. The document suggested Serbia and Montenegro could accede to the bloc in 2025. There have been some positive developments recently — including progress on the Republic of Macedonia name issue and the beginning of EU accession negotiations with Albania appear within reach. At the same time,

the situation in the Western Balkans remains fragile, with “unfinished business” such as the need for more internal reforms and settlements of disputes and unresolved border issues. Russia and China are both already exerting influence in the region in ways that runs contrary to U.S. interests. Close attention from European and American policymakers to the regional situation is necessary in order to project stability and deny Russia and China a vacuum to exploit.

Additional U.S. support and engagement in the Western Balkans is necessary going forward and can complement the European Union’s tools and capabilities.<sup>19</sup> Although the previous two U.S. administrations took a backseat role to Brussels on the Western Balkans, some work on formulating a more comprehensive U.S. strategy for the region begun to take shape during President Obama’s second term. This work now needs to continue in order to address the region’s rising challenges and capitalize on emerging opportunities. The Trump administration must present a coherent U.S. strategic vision and plan that includes ways of further enhancing transatlantic cooperation on regional issues.

While the United States still has unparalleled influence and potential to serve as an honest broker to promote regional stability, the Trump administration must clarify what role democracy and human rights promotion play as part of its overall regional approach. Beyond these issues, there is an opportunity for Washington to promote energy security in the region, including advancing energy projects like the Croatian LNG terminal. Finally, the U.S. needs to respond to Russia’s and China’s growing economic presence in the region by offering more investments into regional connectivity projects.

19 For other useful recommendations, see Damir Marusic, Sarah Bedenbaugh, and Damon Wilson, “Balkans Forward: A New US Strategy for the Region”, Atlantic Council, November 2017, [http://www.atlanticcouncil.org/images/Balkans\\_Forward\\_web\\_1128.pdf](http://www.atlanticcouncil.org/images/Balkans_Forward_web_1128.pdf).

In short, the Trump administration should make completing the European project a top priority in Europe and a centerpiece of a joint transatlantic agenda and the EU's most powerful member states must dedicate commensurate resources and focus to the challenge of completing the European project. The success of countries on Europe's periphery represent decades of U.S. support for freedom and democracy in the region in the face of the Soviet threat. It is a legacy Americans should be proud of and a legacy worthy of their continued support.

#### **4. Ensure Strong Post-Brexit U.K.–EU Ties**

The “special relationship” with the United Kingdom, traditionally the most important bilateral relationship across the Atlantic, is currently in a state of flux. President Trump and Prime Minister May reportedly have a strained relationship and have also fallen out publically on occasions.<sup>20</sup> The notion that the United States could constitute a credible alternative to trade with the EU for post-Brexit Britain seems increasingly farfetched, especially under President Donald Trump's protectionist agenda which was at stark display at the recent G7 summit in Quebec, and with no U.S.–U.K. free trade agreement in sight.

In many ways, Washington and London seem further apart on key international issues than they have in many years.<sup>21</sup> If anything, the U.K. seems more aligned with the rest of the EU than with Trump on issues such as the Paris agreement, JCPOA, the Jerusalem embassy decision, and trade tariffs. Moreover, it seems that France's President Emmanuel Macron has had more success cultivating a strong relationship with Trump than has Prime Minister May, as evidenced by the former's much-publicized state visit to the White House in April.

20 Jenny Gross, “Trump, U.K. Prime Minister Deny Strains in Ties at Davos Meeting,” *Wall Street Journal*, January 25, 2018, <https://www.wsj.com/articles/may-trump-set-to-meet-at-davos-amid-strained-relations-1516876415>.

21 Gideon Rachman, “Donald Trump and Brexit are No Longer Identical Twins,” *Financial Times*, January 8, 2018, <https://www.ft.com/content/214ca7da-f455-11e7-88f7-5465a6ce1a00>.

The previous administration's policy of encouraging an amicable Brexit seems to continue under President Trump. According to former Secretary of State, Rex Tillerson, the U.S. “will not attempt to influence the negotiations ... but offer an impartial hand of friendship to both parties.”<sup>22</sup> In reality, the U.S. administration's approach toward Brexit has been rather hands-off. Given the significant stake the United States has in an amicable Brexit that preserves a strong U.K.–EU partnership on economic, political, and security issues and that leaves both the EU and the U.K. strong and prosperous, more engagement from Washington to help ensure such an outcome would be welcome.

Since the U.K. is the fourth largest export destination for U.S. goods and services and seventh overall trading partner,<sup>23</sup> a hard Brexit taking a toll on the British economy would also negatively impact U.S. trade with Britain. Moreover, given the deep investment ties between the United States and the U.K., and the city of London's crucial role in global finance, U.S.-based financial institutions

have a strong interest in ensuring that their London-based operations continue to have “passporting” rights to the EU after Brexit. As the Brookings Institution expert Tom Wright argues, it is in the U.S. interest to help facilitate strong economic ties between the U.K. and the EU rather than forcing London to choose between trade with the United States and the

EU.<sup>24</sup> Having the U.K. retain deep economic access to the EU bloc is in the long run in the U.S. interest

**“ Having the U.K. retain deep economic access to the EU bloc is in the long run in the U.S. interest also in order to curb Chinese influence.”**

22 Rex Tillerson, “The U.S. And Europe: Strengthening Western Alliances,” speech at the Wilson Center, November 28, 2017, <https://www.wilsoncenter.org/event/address-us-secretary-state-rex-tillerson-the-us-and-europe-strengthening-western-alliances>.

23 U.S. Chamber of Commerce website, “U.S.–U.K. Trade and Investment Ties,” <https://www.uschamber.com/international/europe/us-uk-business-council/us-uk-trade-and-investment-ties>.

24 Thomas Wright, “Brexit: A Negotiation Update,” Hearing by the Subcommittee on Europe, Europe and Emerging Threats of the Committee on Foreign Affairs U.S. House of Representatives, December 6, 2017, <https://www.brookings.edu/wp-content/uploads/2017/12/wright-house-fa-committee-brexit-testimony-dec-6-final1.pdf>.

also in order to curb Chinese influence.<sup>25</sup> Helping to promote such an outcome would foster goodwill within the rest of the EU.

Despite the U.K.'s preference for a free trade agreement with the United States, Washington's ability to negotiate such an FTA may also be limited given the number of other pressing trade issues such as NAFTA and China at the moment. Once again, the Trump administration's myopic trade policy runs the risk of doing real damage to an important strategic bilateral relationship. In an ideal world, the United States and United Kingdom may have even partnered together post-Brexit to jointly negotiate trade agreements in key parts of the world, such as Asia, given that the United Kingdom will need to reconstitute its trading relationships. Agreements with the Anglosphere countries or even broader (some British officials have discussed the United Kingdom joining the Trans-Pacific Partnership), would have boosted U.S. and U.K.'s strategic position in that vital region.

Politically, Brexit means the departure of America's closest ally from the EU. Since the U.K. has traditionally shared many similar views with the United States, it has served Washington well to have London as an advocate and likeminded partner in Brussels. Britain's departure will therefore inevitably mean waning U.S. influence over EU decisions unless other partnerships are forged. Moreover, the uncertainty about the U.K.–Ireland border also risk generate more political instability and even jeopardize the Good Friday Agreement which the United States once helped forge. Washington should accordingly push for a privileged U.K. access to EU decision-making while also investing more in cultivating new ties with other EU countries that can help advance a U.S. agenda in Brussels on specific issues.

When it comes to security and defense affairs, a British departure from the EU will also impact U.S. interests. It could jeopardize Britain's important role in EU intelligence, space, counterterrorism and security cooperation, and weaken the EU's

sanctions power — thus potentially undermining U.S.–EU cooperation. It is in Washington's interests to advocate that London be granted a “special relationship” with the EU, including regular interaction on foreign policy matters. While the Trump administration is lukewarm about the Common Security and Defense Policy, ensuring that the U.K. (whose defense industry is deeply integrated with U.S. companies) is not excluded from EU-initiatives such as PESCO and the European Development Fund should also be in the U.S. interest.

For these reasons, the Trump administration should actively promote an amicable Brexit and encourage strong post-Brexit U.K.–EU ties. The goal should be to ensure that Brexit leaves both U.K. strong and EU in a strong shape. President Trump's upcoming visit to London in July is an opportunity to reengage with one of America's closest allies.

## **Toward a Strategy for Europe under Trump**

Almost 18 months into the Trump administration and with the new National Security Strategy as a reference point, it is time for Washington to develop a positive agenda toward Europe. This should include stepping up the U.S. engagement within Europe itself, strengthening the U.S. presence and engagement on Europe's periphery, and capitalizing on opportunities to work with Europe on addressing shared global challenges.

Up to this point, the relationship has been dominated by the myriad of issues on which Washington and European capitals diverge. Some may believe that the best that can be hoped for is managed disengagement for the remaining years of President Trump's time in office. Yet, the strategic challenges facing the transatlantic democracies are perhaps the most dire in decades. The threats will only grow worse if transatlantic partners retreat into their corners to wait out the turbulence. A way forward on areas of agreement, and areas where mutually beneficial bargains can be carved out, must be found despite the turmoil.

25 Le Coree, Philippe, “Brexit : What's Next for the China-UK Relationship?” Institut Montaigne, February 19, 2018, <http://www.institutmontaigne.org/en/blog/brexit-whats-next-china-uk-relationship>; <https://carnegieendowment.org/2018/02/19/brexit-what-s-next-for-china-uk-relationship-pub-75633>.

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Fortunately, there are signs that the administration is beginning to put the pieces together for such an agenda. The new U.S. strategy for Europe advanced by the State Department is a welcome effort in this regard. While the transatlantic relationship will continue to be affected by continuity on certain issues (e.g. NATO, Russia and Ukraine) and deep divisions on others (e.g. Paris agreement, JCPOA, and trade tariffs), managing ongoing cooperation and avoiding a split over the inevitable disagreements will be a key challenge for policymakers on both sides of the Atlantic over the coming months and years. That said, there is also potential to advance new transatlantic initiatives on certain issues.

The Trump administration should focus on four key objectives in the coming three years — cooperation on addressing the rise of China, supporting new EU defense initiatives as part of transatlantic burden-sharing, completing the European project, and ensuring strong U.K.–EU ties post-Brexit. This is by no means an exhaustive list but rather a realistic set of policies where, despite the histrionics in the transatlantic space right now, the U.S. and European policymakers still share some common ground and where practical cooperation can be advanced, and thus trust can gradually be rebuilt again.

The bottom line is that the United States and the European Union still represent vital partners in the age of Trump and that the United States should remain supportive of the “European Project” and work to strengthen the U.S.–EU partnership in an age of strategic competition. As Dwight Eisenhower remarked in his London speech in 1951, “The road ahead may be long — it is certain to be marked by critical and difficult passages. But if we march together, endure together, share together, we shall succeed — we shall *gloriously* succeed together!”<sup>26</sup> Let us hope that the Trump administration can adopt a similar line of thinking for its remaining time in office.

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<sup>26</sup> Dwight D. Eisenhower, *ibid.*



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