

## **The Transatlantic Stress Tests**

26. November 2018 by [Jackson Janes](#)

**Stress tests: We have been here before. During the past seven decades, transatlantic ties have been tested repeatedly. They have included economic conflicts, competition for markets, dealing with armed conflicts and cultural clashes. For more than three hundred years, no two parts of the globe have had more to do with each other than Europe and the U.S. For better and, at times, for worse.**

Yet today we can stand back and consider a set of milestones which mark how much has been accomplished, even as we confront the contemporary version of stress tests. In 2017, we were able to mark many historical milestones. Some could celebrate the collaboration and commitment between the U.S. and Western Europe to rebuild and reset the continent after World War II with the Marshall Plan in 1947; or the sixtieth anniversary of the founding of the European Economic Community in 1957.

In 2018, we saw the 70th anniversary of the Berlin airlift, which had been a symbol of transatlantic solidarity in the early stages of the Cold War. And next year, in 2019, we will mark the 70th birthday of the Federal Republic of Germany, as well as the North Atlantic Treaty Organization. All these milestones offer evidence of one of the most vibrant relationships on the planet.

And yet, even though we celebrate these accomplishments, we also confront a period filled with tension and anxiety in countries on both sides of the Atlantic. Domestic political upheavals against a background of increased global competition with countries like China and Russia triggered a period of acute volatility in the traditional frameworks of government and international partnerships. Nationalism and protectionism usurped significant popular support, attempting to alter the paradigm of engagement and cooperation. This cooperation has served as the cornerstone of the transatlantic relationship and defines the liberal, rule-based global order upon which Western democracies have built over the past half century. But today it is no longer self-evident.

There is a wave of worry about the future of both Europe and the U.S. In various versions of protests and backlash movements, there was one underlining cause on both sides of the Atlantic: the loss of trust—in individual leaders, institutions and, ultimately, in ideas about the definition of liberal democracy. It has surfaced in many places at once, leaving two questions lingering: why so much disruption now and why so many places at the same time?

### **How to make America great (again?)**

From American Carnage' to 'America First' to 'Make America Great Again', President Donald Trump's inaugural speech in 2017 signalled a change in the debate over volatile issues as well as relations with other nations. It seems clear that the President wants to redefine both the style and substance of American domestic and foreign policies. The domestic battles surrounding virtually all legislative challenges as well as the midterm elections in November 2018 continue to hinder coherent U.S. responses to foreign policy challenges and crises. And although much of his Twitter rhetoric does not match reality, Trump's administration has been relatively successful at reframing the debate on volatile issues such as immigration, environmental and energy policies, as well as healthcare. It has been focused on reducing the size of government, rolling back federal regulation, and rewriting tax policy. With the unique advantage of having had Congress, the Supreme Court and the White House under Republican control during his first two years in office,

the President has been attempting to use that leverage to fundamentally remake American domestic policies. That includes successfully pushing two new additions to the Supreme Court, signing a new tax reduction bill which increased the deficit by a trillion dollars, and redefining the immigration issue. Or, as he would tweet, #MAGA.

In foreign policy arenas, we have seemingly moved into a bipolar environment in Washington DC, illustrated by the President going in one direction and the Congress going in another, particularly when it comes to relations with Russia. The President's radical and often unilateral policy initiatives and impulsive manner of communication have upset and unnerved traditional U.S. allies, as well as many in the U.S. Initial explanations of U.S. foreign policy perspectives were explicated in an op-ed written by top White House advisors, published in the Wall Street Journal in May 2017, in which the parameters of policy were described as follows:

'The president embarked on his first foreign trip with a clear-eyed outlook that the world is not a 'global community' but an arena where nations, nongovernmental actors and businesses engage and compete for advantage. We bring to this forum unmatched military, political, economic, cultural and moral strength. Rather than deny this elemental nature of international affairs, we embrace it.'

This approach was a shock to many Europeans as well as many Americans. It was an embrace of the Hobbesian worldview of world politics and 'America First' principles. During the previous seven decades, American policy had been based on the notion, that even in an anarchic world, one could nurture an international order grounded in American values of liberty, democracy and free enterprise. The rebuilding of Europe after 1945 was part of that aspiration.

The changes signalled by the Trump administration represented a singular focus on bilateral relations and scepticism toward multilateral regimes. This was heard again in President Trump's criticism of NATO at his first participation in Brussels in May 2017, followed by his critical remarks at the immediately-following G7 summit in Italy. Indeed, it was following that meeting that Angela Merkel gave voice to the concerns in Europe in a speech in Munich, Germany:

'The times in which we could completely depend on others are, to a certain extent, over. I've experienced that in the last few days. We Europeans truly have to take our fate into our own hands.'

Despite affirmations such as the National Security Strategy which have underlined commitments to alliances, ambiguity about the balance of cooperation and competition within the transatlantic relationship still permeates the dialogue. Following references to European partners as rivals or even foes embedded in statements by President Trump, the transactional character of the Trump policy perspectives remains troubling. Those worries were underlined following the US withdrawal from several major global engagements such as negotiations on the TPP, the Paris Agreement, the Iran Nuclear Deal, and, more recently, the INF treaty with Russia. Unpredictability and uncertainty about the U.S.' actions and intentions have infected transatlantic relations.

### **How to make Europe great (again?)**

Yet even as confidence in the reliability of U.S. commitment to the transatlantic alliance is waning, Europe is confronted with its own political eruptions. Merkel's appeal to 'we Europeans' begged a question: who is 'we'?

In the fall of 2017, Merkel survived a fourth run as candidate for Chancellor. It was sobered by a strong showing of the far-right Alternative for Germany (AfD), now represented in the Bundestag as the largest opposition party. Rising support for far-right and far-left political parties in Germany came at the expense of traditional centralist parties and resulted in six months of arduous coalition negotiations. Even with another Grand Coalition government now in place, differences between the Social Democrats (SPD) and the CDU/CSU in terms of how to deal with domestic issues such as taxation, immigration, social spending and infrastructure investment could weaken the government's predictability, which has been a long-standing trademark of post-war Germany. The sustainability of the current coalition is also weakened by the infighting among the three coalition partners as state elections in Bavaria and Hessen illustrated. And now Merkel's decision to step down as her party's chair adds more uncertainty to the future of German politics.

But Germany is not alone in its political turbulence. Across the entire continent, political shifting and shaking is expanding and unpredictable. Brexit negotiations between the U.K. and the EU remain precarious as does Prime Minister Theresa May's future. Populist leaders have gained traction in several EU countries, including Hungary, the Czech Republic, Slovakia, Italy and Austria. Leaders in the EU, such as Viktor Orbán in Hungary or Andrzej Duda in Poland, have continued to challenge the EU while also continuing to derive substantial financial support from it. Much of the domestic backlash was generated by the refugee crisis, but nationalist sentiment has been encouraged by these right-wing leaders as it has spread.

Both sides of the Atlantic are erupting in domestic political tensions. We are in a period of adjustment to a changing environment, and we have trouble seeing how to respond. Indeed, 'how' is not the only question that arises in these times: not only *how* do we see each other, need each other, rely on each other, but also *where* and *when* and, most importantly, *why* do we need each other?

After an eight-year love affair with President Obama, who represented to many Europeans their preferred image of the U.S., the public opinion in Europe deeply resented President Trump from the start. 'America First' became more or less 'America Only' in their translation. In contrast to its predecessor, the current administration sees European countries more as economic competitors than partners, and has threatened to retreat from U.S. commitment to European defence and impose tariffs. It was as if the members of NATO could rely on Article 5 protection from the U.S. only if they paid their 'dues.' In a revealing interview with friendly 'news' station Fox News last July, Donald Trump went a step further in questioning why US soldiers should be fighting for a member state like Montenegro (the newest member of the NATO alliance).

It is these kinds of comments which cause many in Europe to believe that the bond of trust underlying the transatlantic relationship is eroding. German Foreign Minister Heiko Maas commented, also in July, that, 'We cannot rely completely on the White House.' EU President Jean Claude Juncker said only two months prior, in connection to tariff clashes: 'We will continue our negotiations with the United States, but we refuse to negotiate under threat.'

At the same time, there were EU leaders who endorsed Trump. Orbán was a fan of Trump even before Trump was elected and said after his election that he welcomed President Trump's inauguration as the 'end of multilateralism', and praised Trump's inaugural statement as a 'big change.' 'We have received permission from, if you like, the highest position in the world so we can now also put ourselves in first place. This is a big thing, a great freedom, a great gift,' he enthused in January 2017, only days after Trump assumed office.

Trump also chose to make a major speech in Warsaw during his first year in office, where he was warmly welcomed by Polish leaders as they engaged in a confrontation with the EU. In fact, Warsaw has proposed the idea of a permanent U.S. armoured division to be deployed in Poland, with significant Polish commitment to provide joint military installations and more flexible movement of U.S. forces. Concerns that this bilateral initiative was undercutting NATO were dismissed in Warsaw, and the fact that the installation in Poland was to be named Camp Trump was well-received in Washington.

Are we facing a more serious crisis in transatlantic relations than in the past? Not necessarily. Stress tests are not dangerous if they serve as reminders about the need to review and renew our principles, purposes and policies. But that does require a reality check: that Europeans would be well advised not to think that the Trump administration is a temporary anomaly in the transatlantic dialogue. There is a combination of forces – economic, demographic, and global – that are reshaping the domestic dialogue in the U.S. about its priorities, roles, and responsibilities; and that will continue well after Trump has left the White House.

While it may be difficult to deal with conflicting signals emerging out of Washington, Washington's criticism of relations with Europe is not going to disappear soon. Examples include Trump's pointed critique of Germany's \$65 billion trade deficit in goods with the U.S., and the demand that all NATO allies increase defence spending. Trump may have been the bearer of the message, but he has support for that particular demand in Congress, even if the newly-elected House of Representatives is now under Democratic majority control. And these are not new points of debate; they have been evolving over decades.

In Europe, the pressure to deal with internal EU issues—monetary policy, defence capabilities, energy security, and the refugee crises—is an opportunity to rethink some of the principles that have long guided the course of the EU foreign and economic debates. These principles are based on assumptions that have been taken granted for too long. Europe's close alliance with the U.S. has allowed it to profit immensely from the post-Cold War international system. Now, as it rushes to defend its advantages against centrifugal forces that are cracking the liberal international order, Europe's choices will be crucial to its own destiny as well as that of the liberal alliance. The transatlantic clash over defence spending, for instance, is a wakeup call that Germany must shed its long-held post-war reticence over military forces in order to strengthen European defence. To 'fight for our future on our own, for our destiny as Europeans,' as Angela Merkel said, is a piece of advice which Europeans will do well to heed.

### **Towards a stronger alliance**

But it doesn't mean that the Germans, or the Europeans, should go down this path alone. The idea of the transatlantic alliance, one that is based on liberal values, democratic principles, and robust, rule-based international institutions, has been shared by the United States and Europe for decades. It encompasses the fundamentals that have and will continue to generate transatlantic synergy even if there are disputes about its implementation. Rather than letting disillusion dilute it, the Euro-Atlantic relationship should seize the opportunity to craft a *stronger* alliance which is essential to beat back the real challenges to liberal democracy: real challenges that undermine the trust and confidence we have in our institutions and our leaders in order to shape a viable consensus. Yet that effort will need to be accompanied by shifts in both thinking and policy, as well as a reset of burden- and power-sharing in the 21<sup>st</sup> century.

Issues that challenge the U.S. and Europe at home and abroad, such as immigration, terrorism, economic inequality, digital revolutions, and regional security can be shared in both their diagnoses as well as potential responses. The domestic political eruptions visible on both sides of the Atlantic stem from backlashes against ever more rapid globalisation, anxiety about the future and the need to rethink and reform the institutions needed to confront them. Europe and the US share both the challenges and the consequences for either success or failure, and this makes the transatlantic relationship more important now than it has been since the end of the Cold War.

Meanwhile, traditional political elites in Europe and Washington are struggling to convince their respective constituents that globalisation is still beneficial. A successful remedy to both relieve domestic pressure towards nationalistic, protectionist policies and to prevent potential deterioration of the liberal international institutions must embrace the transatlantic partnership and, at its core, a stronger German-American alliance. At the same time, both countries need to take significant steps to change their policy outlook. The U.S. needs to abandon unilateral approaches and engage the Europeans. Germany needs to cross the psychological threshold and assume leadership in European defence policy and balance its economic growth with the economic discrepancy within Europe, as well as advocate a strengthening of economic cooperation with the U.S.

To repeat: While four basic questions remain of central importance to answer – how, when, where and why do the members of the transatlantic community need each other – the answers need to be readjusted to reflect the realities of today. It will be, at times, uncomfortable, unsettling, and uncertain how they may be found – but what is the alternative?