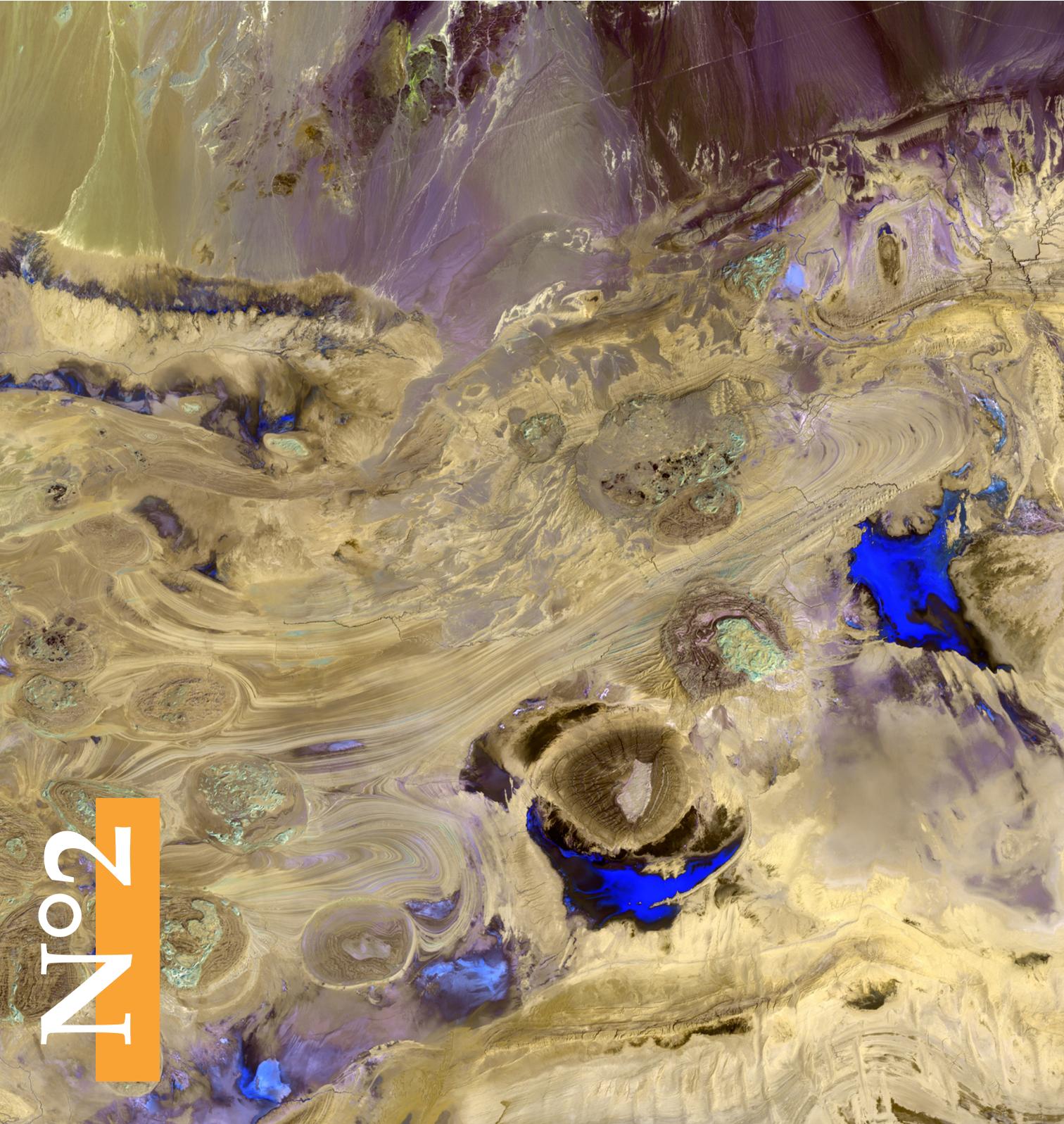




TRANSATLANTIC RELATIONS: A VISION OF THE FUTURE



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BY ANNA LIISA MERILIND

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TRANSATLANTIC RELATIONS: A VISION OF THE FUTURE

BY ANNA-LIISA MERILIND

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when a window of opportunity presents itself for taking the transatlantic relationship to a whole new level. As we put the crisis-ridden decade of the 2010s behind us and the outcome of the elections in the United States has called forth 'the biggest collective sigh of relief in the world' with Joe Biden becoming President-Elect, the stakes are high for the transatlantic partnership to revamp itself. On the European side, the European Commission and European Parliament have begun their second year of the five-year term, meaning that the main actors of the US-EU relationship are almost all geared up to go. The agenda on the table is tall: Starting with the basics of eliminating hostile rhetoric and restoring a cooperative working atmosphere to finding common ground on former pitfalls, such as transatlantic trade, addressing climate change, and agreeing on strategic priorities.

In the last four years, transatlantic allies have had to put up with Donald J. Trump in the White House and have struggled addressing the global rise of nationalist-populist leaders, coupled with a growing sense of general insecurity. However, we have seen that the web of transatlantic linkages which has emerged across policy areas since the end of World War II has proven to be resilient. The high degree of institutionalisation has enabled working-level relations to continue, even if sometimes only on autopilot. Yet, in order to revive and strengthen transatlantic relations, it is necessary to go beyond 'survival mode'. This paper argues that a strong future transatlantic relationship is predicated on renewed political commitment, accompanied and complemented by consistent working-level cooperation, and further reinforced by the articulation of a positive agenda that encapsulates the shared vision of the future of the Trans-Atlantic region.

The structure of the paper follows a thematic analysis of five of the most consequential topics of the transatlantic relationship. Each of the sections includes specific policy advice to decision-makers in the EU and the US, or to both, and recommendations that would serve global peace and security more generally. The section about security cooperation is longer than other sections due to the author's personal interest in the field.



“ F O R E S I G H T I S M U C H M O R E A B O U T S H A P I N G T H E F U T U R E
T H A N P R E D I C T I N G I T . ” 1

SECURITY COOPERATION.

Cooperation within the security domain is often argued to be the bedrock of the transatlantic relationship. Indeed, the precarious situation in the world immediately after World War II necessitated the formulation of new arrangements. At the Yalta Conference in February 1945 Churchill and Roosevelt convinced Stalin to agree to the post-war governance of Germany but the strategy to win the war still foresaw continued Soviet occupation of eastern Europe.² This division of Europe increasingly became an issue of contention in the years 1946-1947 when the Grand Alliance between the West and the Soviet Union quickly turned into a rivalry. The crises in Greece and Turkey in 1947 catalysed American thinking that the implementation of Yalta requires economic assistance, as the United Kingdom was verging overstretching its commitments. The ensuing Marshall Plan was to be backed by a formal North Atlantic Treaty which consolidated American involvement in guaranteeing security in Europe.³

The North Atlantic Treaty Organisation (NATO) has grown from the twelve founding members to an alliance of thirty member states. However, this expansion has not been predestined. NATO has faced difficult times, even verged collapse, so its continued existence is a result of

determined political will. In the 1990s when Europe was struggling to contain the Balkan wars at its doorstep and when Russian internal instability threatened to destabilise security in Europe, the US and other key NATO allies pushed for enlargement.⁴

Today, NATO is, once again, challenged on multiple fronts. First, the launch of the NATO 2030 forward-looking reflection process is a way of formulating a response to the challenges stemming from a resurgent Russia and an increasingly assertive China, hybrid threats, climate change, and intractable conflicts in the Middle East. It is smart of NATO to not call the process the formulation of yet another ‘Strategic Concept’, since some authors have argued that a grand strategy is useless in an age of uncertainty.⁵ Second, NATO members are haggling over burden-sharing which at its core boils down to a lack of a common understanding of division of labour in guaranteeing security in the region.⁶ Third, NATO’s internal challenges stem from some member states, such as Hungary, Poland, and Turkey, becoming increasingly illiberal and authoritarian; and the fourth challenge is terrorism which seems to have come to stay.⁷ Finally, the debate about transatlantic security needs to be situated in the wider debate of a geostrategic shift towards the Indo-Pacific region and the transatlantic alliance’s uncertainty about how best to respond to this.

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A recommendation to the European Union as well as to European members of NATO is to recognise the strategic importance the US grants to the Indo-Pacific region and move towards developing its own doctrine for interacting with the region. Europe should do well to realise that the world is entering into a competition of rival ideologies, and in order to compete with the “Chinese dream”, the transatlantic alliance has to offer its own vision of the future.⁸ Germany has recently published its “Policy guidelines for the Indo-Pacific” and it hopes that this document will also influence EU thinking about the region as Germany is currently the President of the Council of the EU.⁹ However, Germany is known for its ‘convergence through trade’ approach, so this needs to be debated EU-wide. Second, Europe should continue investing smartly into its defence and continue its advocacy efforts to the US about EU-internal initiatives. After Trump’s hostile rhetoric which considered the EU a “foe” is gone, a Biden administration ought to welcome an increase in the power and capabilities of a strategic ally.¹⁰

When it comes to the US, a President Biden has a lot of restorative rhetoric to utter. The US has lost credibility with Trump touting withdrawal from NATO, so a strong reaffirmation of the US’ commitment, especially to Article 5, is urgently needed. Further, the US should work on expanding its understanding of security and acknowledge that the EU has many valuable soft power tools in its possession that guarantee security in other

ways than through military power. The EU’s Neighbourhood Policy, engagement with candidate countries, and CSDP missions in Africa contribute greatly to the stability of the region and the US should give this more weight in the debates about Europeans’ role in burden-sharing.¹¹

Regarding NATO, the organisation urgently needs a fresh look at the division of labour and roles. If Americans blame the Europeans for not upholding their part of the deal, Europeans should propose more specific plans about how they (intend to) protect Europe. The northern allies could lay out a joint action plan for the Arctic region, instead of haphazard, ad hoc, initiatives; France and Italy could assume a greater leader position in containing threats stemming from the Middle East and North Africa; and the eastern flank could enhance capabilities of addressing Russian Anti Access / Area Denial threats.¹² Further, as the United Kingdom finally fully exits the EU, there seems to be a need for regular EU-NATO Leaders’ Meetings, as EU-NATO cooperation intensifies and the UK needs to be kept in the loop. Lastly, there is merit to the idea of launching a high-level US-EU dialogue platform focusing on all things related to China. This would provide a platform for the transatlantic partners to jointly discuss their ideas and worries about interacting with China and would help with the formulation of a positive agenda that strengthens the transatlantic partnership.



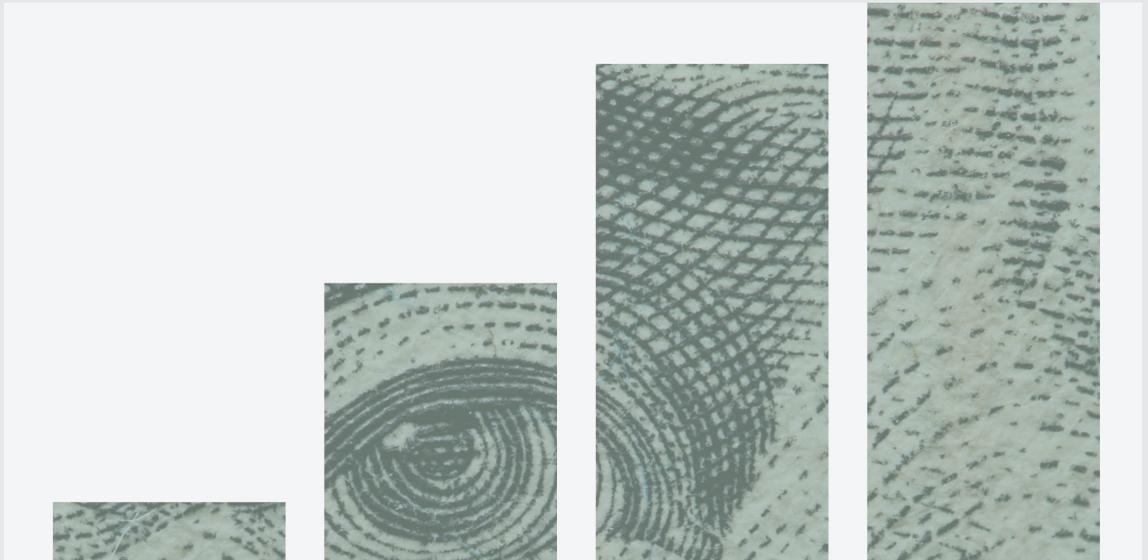
STRENGTHENING RULE OF LAW AND DEMOCRATIC ACCOUNTABILITY.

One should never forget that the transatlantic alliance is a major democratic experiment between countries with different structures. On the European side, notwithstanding non-EU NATO allies, the EU is a sui generis international organisation that embodies seventy years of European integration. On the American side, there are Canada and the United States – both federal states. The crises of the past decade – the global financial crisis, Arab Spring and its aftermaths, the sudden influx of refugees to Europe, and ‘Brexit’ – have all prompted a response in the transatlantic societies. Trust in public institutions is at an all-time low, the EU struggles with its democratic deficit, and the US is trailing on its trend towards an imperial presidency with an unaccountable bureaucracy.¹³ These developments require stronger emphasis on the rule of law and the promotion and implementation of principles of good governance. As Deudney and Ikenberry argue, “the remedy for the problems of liberal democracy is more liberal democracy”.¹⁴

Despite the damaging rhetoric stemming from the White House, Congressional support for NATO and transatlanticism has been and continues to be bipartisan.¹⁵ A recommendation for the US is that in order to

further strengthen the Transatlantic Legislators’ Dialogue, the US should nominate permanent members to its delegation to match that of the European Parliament’s Delegation for relations with the US. The US delegation currently includes ad hoc, volunteering members of Congress but this hampers substantial dialogue. On the European side, the Delegation of the Parliament should continue its efforts of explaining the nature and competencies of the EU and EU-internal initiatives to their American counterparts, since the EU is, admittedly, a complex, multi-layered institution. This kind of parliamentary diplomacy is valuable because it provides a platform for reiterating commitment to transatlanticism which is more legitimate because the representatives have been directly elected by the people.

One final recommendation that would further substantiate the transatlantic partners’ commitment to rule of law and human rights is if the EU would follow the US in adopting its own version of the Global Magnitsky Act.¹⁶ However, the European Commission would first need to work around the member states who oppose having ‘Magnitsky’ in the name of the sanctions regime as they are restrained due to their governments’ ties to Russia.¹⁷



FUTURE ECONOMIC AND TRADE RELATIONS.

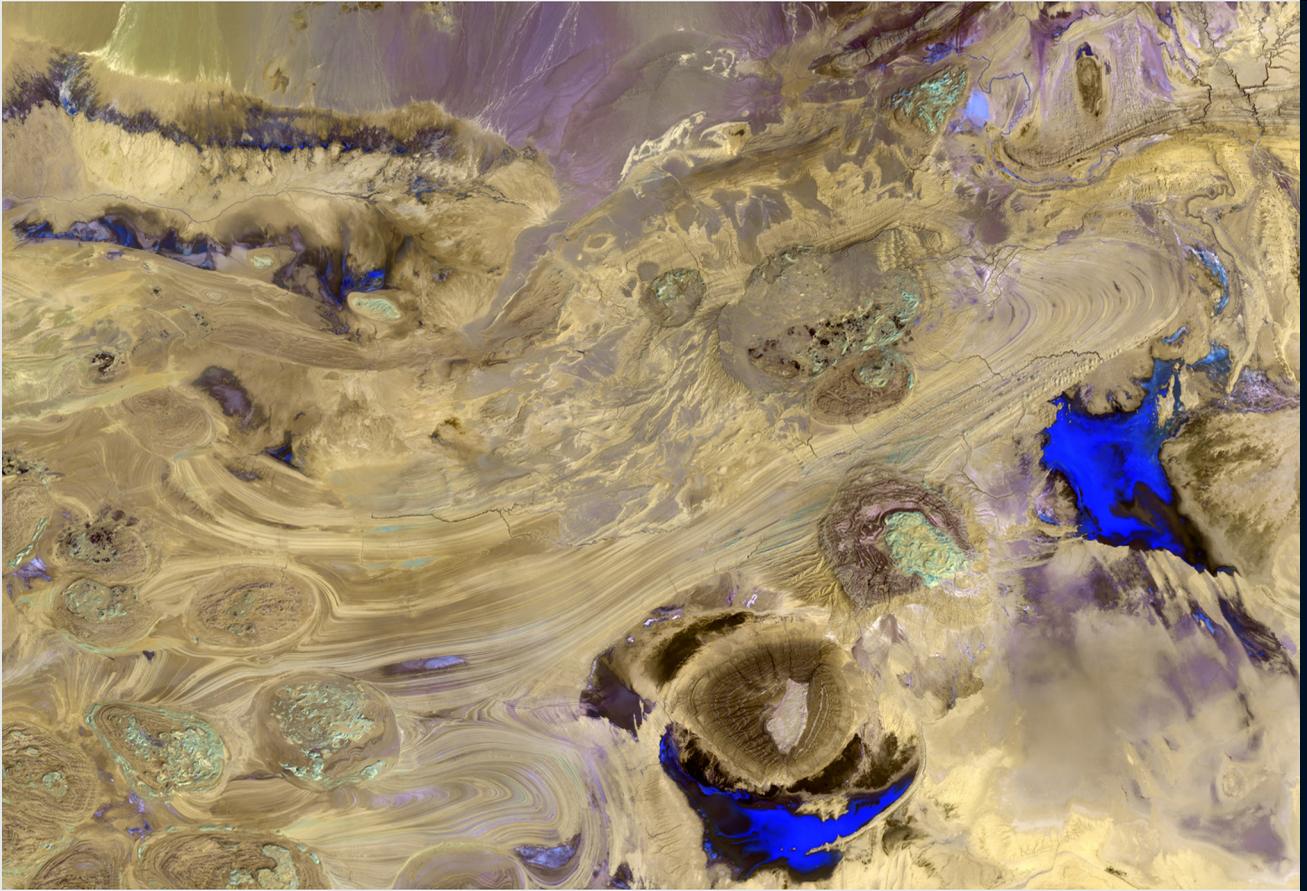
The US and EU are each other's largest trading and investment partners. Together, their economies account "for about half the entire world GDP and for nearly a third of world trade flows."¹⁸ Annual two-way trade amounts to one trillion USD.¹⁹ However, deeper economic integration faces an obstacle that stems precisely from the symmetry of the partners: It is difficult to agree on regulatory cooperation and the elimination of non-tariff barriers when the negotiating partners are approximately of the same size. Negotiations between "near peers" also raise "the stakes associated with regulatory cooperation" for civic interest groups.²⁰ The four major stumbling blocks that eventually led to the collapse of the Transatlantic Trade and Investment Partnership (TTIP) talks included EU's protectionism over agriculture; differences in the investor-state dispute settlement (ISDS) debate; EU's inflexibility regarding 'geographic indications'; and the inability to agree on public procurement rules.²¹

The TTIP negotiations were launched under President Obama but President Trump's imposition of tariffs essentially ended the talks.²² There is merit to the idea of rejuvenating TTIP talks under a Biden administration but the likelihood that the parties pick up right where they left off is very low. The reasons why the initial talks failed are still valid, and further divisive topics include privacy and the role of US technology giants. However, a general appetite for new trade talks still exists among transatlantic partners, especially now when countries are struggling to respond to and recover from the economic downturn caused by the COVID-19 pandemic. A transatlantic trade deal would be especially beneficial for small and

medium-sized enterprises (SMEs) which form the backbone of the transatlantic economy, yet are the in the most vulnerable position right now.²³ Further, consolidating the transatlantic trade bloc would offer a counterweight to China, especially now when China has joined fourteen other Asian-Pacific countries in signing the Regional Comprehensive Economic Partnership (RCEP) which has been dubbed "the world's biggest trade pact".²⁴

Transatlantic partners realise that trade talks are not only about the nitty-gritty of trade but they involve fundamental decisions about security, technology, and the geopolitical context. Weaving democratic principles and strict adherence to the rule of law into any future trade deal could be another way for the transatlantic alliance to articulate its shared vision for the future. However, before there can be any talks on the transatlantic level, the EU must overcome its own internal challenges as Hungary and Poland have vetoed the next Multiannual Financial Framework together with the coronavirus recovery package in opposition to the rule-of-law conditionality clauses.²⁵ Solving this conundrum will be a true test of EU values and the coalition-building abilities of the President of the European Council.

Moving forward, a Biden administration is likely to end the self-defeating trade war waged by President Trump against the EU, and thereby improve the work environment. In any future trade talks, the US should remember that the EU expects equal treatment when it comes to trade: Approaching the EU as a junior partner will further distance the partners. The EU should do well if it adopts a bit more flexible approach than in TTIP and avoids the temptation of drawing too stark red lines too early. The US expects pragmatism and wishes that the EU listens to its proposals regarding trade in electronic commerce and



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digital services.²⁶ Lastly, any future counterbalancing of China by the transatlantic partners also involves a frank discussion about the gridlock at the World Trade Organisation. All three main functions of the WTO – defining and protecting multilateral trade rules, propelling trade negotiations, and providing a dispute settlement mechanism – are currently under stress.²⁷ A positive agenda for transatlantic relations necessarily involves safeguarding the principles of free and open markets in multilateral settings.

CLIMATE CHANGE AND FIGHTING THE SPREAD OF DISINFORMATION.

The final thematic section focuses on the politics of climate change and the way transatlantic partners are dealing with the spread of mis- and disinformation. President-Elect Joe Biden has promised to re-join the Paris Climate Agreement on day one of his presidency.²⁸ This would mark a U-turn in political commitment at the highest level and mean that Europe and America both come

to view climate change as an existential threat. The EU regularly brands itself as a global climate leader but it cannot go it alone. Therefore, any sustainable arrangement for meeting climate goals must include the major emitters: US, China, India, and the EU.²⁹ Further, in the last four years, the EU has successfully cooperated with sub-federal actors in the US, such as states, cities, local governments, and businesses. This has been possible because even though US states do not possess foreign affairs powers, they are still free to engage in some sort of external relations.³⁰ Once 2021 brings about a top-level change, the EU should ensure that the progress of the last four years will not be lost but is recognised and built upon. Finally, both America and Europe will have to “reduce their over-reliance on Chinese products and raw materials” and find innovative ways to diversify their supply chains.³¹ The pandemic has clearly pointed out the vulnerabilities, so the momentum must be seized to enhance domestic capabilities and establish new relations with producers other than China.



lastly, there are two key principles about fighting disinformation: (1) Democracy begins at home, and (2) disinformation campaigns by malevolent actors are always a diversion tactic. The most efficient way of disempowering foreign meddling and containing the domestic spread of disinformation is to strengthen democratic checks and balances and work on restoring trust in public institutions.

Populist politicians are fuelled by populist demand but a way to curtail that is by reducing populist supply. This is where awareness-raising, seeking political intersections instead of deepening divides, and supporting the work of the civil society play a key role.³²

There is no shortcut to success here and the key emphasis is placed on the local actors. Even the EU and its EastStratCom Task Force might not do the trick because 'all politics is local' and the EU is not the best place to address these local, specific issues.

It comes down to grassroots activists and local politicians running for elected office to campaign and organise with integrity and increase democratic accountability once in office.



A VISION OF THE FUTURE

CONCLUSION.

To sum up, the road to reviving and strengthening transatlantic relations is long and requires a deliberate effort and coordination from both parties. There is no doubt about that. Addressing internal challenges, such as the deep political polarisation in the US and the lack of internal consensus in the EU; as well as dealing with external challenges, such as the pandemic, climate change, and the rise of China, is difficult. However, we must not forget two things.

First, we are not starting from scratch. As discussed above, the transatlantic alliance boasts more than seventy years of cooperation and the existing web of institutional linkages is resilient. The combined economic weight of the transatlantic bloc, the tight security integration, and a fundamental commitment to shared values about free and democratic societies are the building blocks of any

future arrangement.

Second, the stakes are high – nothing less than the future world order and success in the rivalry of competing visions of society are in question. Instead of resting on laurels and letting other actors gain competitive advantages, the transatlantic partners really need to get to work at shaping the future through purposeful and strategic action.

What is needed is the articulation of a positive, inclusive, and comprehensive agenda of action that the transatlantic societies can sign up to. This is the only way of guaranteeing peace, stability, and progress in the transatlantic region.

- ¹ Gaub, "Global Trends 2030," 5.
- ² Henrikson and Shattuck, "Foundations of Post-War Transatlantic Relations (Yalta, Marshall Plan)," lecture.
- ³ Henrikson, "The Creation of the North Atlantic Alliance," 15–19.
- ⁴ Marten, "NATO Enlargement," 405–9.
- ⁵ Drezner, Krebs, and Schweller, "End of Grand Strategy."
- ⁶ Mattelaer, "Revisiting the Principles of NATO Burden-Sharing," 26.
- ⁷ Wallander, "NATO's Enemies Within."
- ⁸ Soare, *Turning the Tide*, 25.
- ⁹ German Federal Government, "Policy Guidelines for the Indo-Pacific."
- ¹⁰ Contiguglia, "Trump: EU Is One of United States' Biggest Foes"; Jervis, "Cooperation under the Security Dilemma," 175.
- ¹¹ Gardner, *Stars with Stripes*, 353–361.
- ¹² Soare, *Turning the Tide*, 42.
- ¹³ Rohac, Kennedy, and Singh, "Drivers of Authoritarian Populism in the United States: A Primer"; Dijkstra, Poelman, and Rodriguez-Pose, "The Geography of EU Discontent," 3.
- ¹⁴ Deudney and Ikenberry, "Liberal World: The Resilient Order."
- ¹⁵ Soare, *Turning the Tide*, 67.
- ¹⁶ Daventry, "What Is the Magnitsky Act and Why Is the EU Planning One of Its Own?"
- ¹⁷ Brozowski, "European Commission Proposes New Magnitsky-Style Sanctions Regime."
- ¹⁸ European Commission, "Countries and Regions: United States."
- ¹⁹ Giraud-Bel, "Relaunching the Transatlantic Trade Agenda."
- ²⁰ Young, "Not Your Parents' Trade Politics," 364.
- ²¹ Gardner, *Stars with Stripes*, 106–32.
- ²² *Ibid.*, 132.
- ²³ Kasperek et al., *Last Call for TTIP*, 8.
- ²⁴ Associated Press with Euronews, "Asia-Pacific Countries Including China Sign World's Biggest Trade Pact."
- ²⁵ Herszenhorn and Bayer, "EU in Crisis over Hungary and Poland's €1.8T Hold-Up."
- ²⁶ Gardner, *Stars with Stripes*, 132–44.
- ²⁷ Gstöhl and Shattuck, "Economic Issues: Trans-Atlantic Trade Relations," lecture.
- ²⁸ Biden, "Why America Must Lead Again."
- ²⁹ Blokhin, "The Five Countries That Produce the Most Carbon Dioxide (CO₂)."
- ³⁰ Murphy, *Principles of International Law*, 249; Glennon and Sloane, *Foreign Affairs Federalism*, 35.
- ³¹ Soare, *Turning the Tide*, 221.
- ³² Schunz and Shattuck, "Centrifugal Forces and Populist-National Challenges to Liberal Democratic Governance in Europe and the US," lecture.

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THE DAY AFTER

A panel discussion about the impact of the U.S. Presidential election on transatlantic relations.

21 01
THURSDAY

THE NEXT DAY

On January 21, 2021 at 16:00 Brussels time, the European Horizons chapter at the College of Europe and idEU hosted a panel of high-level speakers from both sides of the Atlantic to discuss the state and future of transatlantic relations on the first working day of the Biden administration.

Discussing the potentially renewed, revamped or revitalized transatlantic ties is of paramount importance in today's world. The global scene is certainly not like it used to be and both sides of the Atlantic know it. Yet, it is — all the more in a post-Trump era — a politically contentious issue to decide on whether or not it is in the U.S. interest to maintain and nurture good relations with its like-minded allies on the old continent. It is for that reason, that we were delighted to host this high-level panel discussion, the purpose of which was to delve more deeply into the global ramifications of the Biden presidency and Mr BLINKEN's forthcoming tenure as Secretary of State.

Key Speakers:

- Michael CURTIS, Deputy Head of the EU Delegation to the US;
- Kristine BERZINA, Senior Fellow at the German Marshall Fund;
- Michael C. RYAN, former Deputy Assistant Secretary of Defense for European and NATO Policy.

Introductory statement: Federica MOGHERINI, Rector of the College of Europe and former EU High Representative for Foreign Affairs and Security Policy.

Moderator: John SHATTUCK, Professor at the Fletcher School of Law and Diplomacy and Harvard Kennedy School.

This event was organized by the College of Europe Chapter of European Horizons in collaboration with European Horizons and idEU. It was open to the public. About 250 people connected.

