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### Background Paper: Session III

#### Restoring Transatlantic Unity in Global Affairs

The transatlantic relationship has been integral to the development and preservation of the international rules-based order. In recent years, especially after the election of President Donald J. Trump on his “America First” platform, the relationship has become fraught with tension. Over the last 2.5 years, the Trump administration has made it clear that it views the world in terms of sovereign states locked in “strategic competition”. As laid out in the National Security Strategy (NSS; 2017) and the National Defense Strategy (NDS; 2018), the US pledges to contend economically, and even militarily, with great-power rivals China and Russia. At the same time, it also envisages competitive relationships with “like-minded states”, particularly in the domain of trade.

In line with this approach, the Trump administration has taken a combative stance towards multilateralism. The US has, for instance, held up nominations of judges to the WTO Appellate Body and withdrawn from the UN Human Rights Council and UNESCO. In June 2017, the US announced it was leaving the Paris Agreement on Climate Change, opening up a fissure between Washington and its European partners. President Trump and other US officials have also been markedly critical of the European Union, deriding it for neglecting the interests of member states. In May 2018, the US precipitated further transatlantic tensions by withdrawing from the Iran nuclear agreement (Joint Comprehensive Plan of Action; JCPOA). The EU has tried to combat the extraterritoriality of US sanctions in order to persuade Iran to remain in compliance with the agreement. However, a recent announcement by Tehran that it would halt compliance with certain provisions, coupled with increasing US pressure, has placed the future of the agreement in jeopardy.

In the realm of trade, the US imposed tariffs on European steel and aluminium imports on national security grounds in March 2018. The EU responded with retaliatory tariffs, also targeting other American products like whiskey, tobacco and motorcycles. In July 2018, President Trump and European Commission President Jean-Claude Juncker agreed on a Joint Statement to ease trade tensions. In line with the document, the European Council adopted negotiating directives for EU-US trade talks in April 2019. These cover two potential agreements, one on industrial goods and another on conformity assessment. However, President Trump has recently reiterated the prospect of levying tariffs on the European automobile industry, placing some doubt over the future of the trade talks.

The Trump administration has also placed substantial tariffs on Chinese imports to pressure Beijing into a broad bilateral trade agreement. The deal would serve to decrease the US-China trade deficit, but also curb some Chinese practices that both the US and EU consider unfair. These include, for example, forced technology transfer, state subsidies and barriers to entry into Chinese markets. As part of its pressure campaign, the Trump administration has criticised EU countries for participation in Chinese-funded infrastructure projects, including the development of 5G networks by Chinese telecom giant Huawei. The Union and its member states will thus face difficult choices in the future as they try to navigate the US-China trade standoff.

In addition, the US has insisted that European partners should shun Russian energy ventures like the Nordstream II pipeline on security grounds. Investigations into links between Donald Trump's team and Russian operatives during the 2016 election campaign have also spurred the US Congress to wrest control of Russia sanctions policy away from the White House. Sanctioning Russia for the annexation of the Crimea, aggression in Ukraine and meddling in US elections enjoys considerable support on Capitol Hill, but tying the hands of the executive might also make future transatlantic coordination on the use of coercive economic measures more complicated.

In security and defence, President Trump has repeatedly criticised America's European allies for inequitable burden sharing, pressing them to increase defence spending to the 2 per cent of GDP level agreed to at the 2014 NATO Summit in Wales. At the same time, however, the US has signalled continued commitment to European defence through the European Deterrence Initiative (EDI) and enhanced Forward Presence (eFP) in Poland and the Baltics. Yet, the American attitude towards the EU's recent push for building more autonomous defence capabilities remains lukewarm. The US fears that initiatives like Permanent Structured Cooperation on security and defence (PESCO) and the European Defence Fund (EDF) will produce a duplication of resources, distract from building capacity within NATO, and place US defence contractors in a disadvantageous position. European officials have repeatedly tried to make the case that such concerns are unfounded.

Despite all the above challenges, maintaining and reinvigorating the transatlantic bond remains a vital task at a time when more, not less, cooperation across the Atlantic is required to solve pressing problems ranging from climate change to security challenges in the EU's neighbourhood. Given that the current administration might not be an enthusiastic partner in multilateral projects, the EU and its member states need to bide their time and look for common ground with the US on specific issues in a pragmatic manner. Initiatives such as the trilateral EU-US-Japan talks on trade, and the European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE) serve as templates for potentially fruitful future collaboration. That said, it is important that the EU remains united and is not afraid to remind the US of the virtues of multilateralism and of strengthening a rules-based international order.

**Points of discussion:**

- What are potential areas of transatlantic cooperation and confluence in the near future?
- What kinds of strategies should the European Union and its member states adopt when dealing with the United States in the short, medium, and long term?