EU-US Relations in the Trump Era

Oded Eran, Yotam Rosner, and Rotem Oreg

Since the election of Donald Trump, relations between the US and the EU have been on the decline. The clash between the globalist worldview of EU leaders and that of the US President has been manifested on a number of issues. On trade, Trump has identified the EU as a platform for tilting terms of trade in favor of Germany at the expense of the US, and has expressed his willingness to enter into a trade war in order to protect American industry. Major differences of opinion also exist with respect to the nuclear agreement with Iran and the threat posed by Russia. These gaps, combined with Trump’s reservations regarding the NATO alliance, are liable to push the EU toward increased military integration among its members.

“As you go forward, you can be confident that your greatest ally and friend, the United States of America, stands with you, shoulder-to-shoulder, now and forever. Because a united Europe – once the dream of a few – remains the hope of the many and a necessity for us all.”

Thus President Barack Obama ended his speech in Berlin in April 2016. His speech was not just lip service – during his term, transatlantic relations were characterized by close and effective cooperation that was reflected in a number of achievements, including the nuclear agreement with Iran, the climate change agreement, the alliance in confronting the Qaddafi regime in Libya, and the international isolation of Russia following its invasion of Ukraine and annexation of Crimea.
Donald Trump’s election initiated a turnaround in US-EU relations. The Trump administration’s approach differs significantly and sometimes radically from that of the Obama administration and those that preceded it. In contrast to the American doctrine that has dominated since the end of the Second World War, whereby a united Europe is essential for the stability and prosperity of the international system, the current President has described the EU on more than one occasion as an exploiter that uses economic tools to gain unfair advantage in the free market in a way that causes harm to American markets, and furthermore does not bear its fair share of the NATO burden. Trump’s isolationist utilitarian approach, reflected in statements that criticize the EU and its goals, has led to growing hostility between European leaders and institutions and the White House. Against the background of that hostility, difficulties have arisen in preserving previous achievements of the transatlantic alliance with respect to the global challenges facing the West.

This essay analyzes the gaps in ideology and worldview between the Trump administration and the European leadership and the ensuing policy disputes on key issues, including international trade, the nuclear agreement with Iran, Russian aggression, and a defense coalition both within the NATO framework and outside it. In conclusion, the essay points to various trends in the transatlantic alliance and the possible implications of the dispute for Israel.

**Ideological Gaps: “Wall Builders versus Bridge Builders”**

During the second half of the 20th century, the EU developed as an economic-political alliance based on a liberal worldview, free-market economics, open borders, and mutual dependence. At its foundation is a belief that European economic and social-cultural integration is essential to the Continent’s economic future, that it will strengthen Europe’s position in dealing with global challenges, and that it will prevent the renewed outbreak of European nationalism that could lead to another world war. This approach, which advocates cultural and economic “bridge building” between nations, is prevalent among the current leadership in Brussels and the key countries in Europe.

An opposing position has gained momentum in recent years, which essentially reflects a loss of confidence in international institutions in general and in European integration in particular. This approach holds that international institutions are corrupt and bureaucratic, serve the cosmopolitan
elites only, and harm the national identity of the member countries as well as their borders, security, and economies. This approach, which has spread in the West and especially in Europe, peaked with the exit of Britain from the EU and the growing electoral success of populist nationalist far right and Eurosceptic parties, such as the National Front in France led by Marine Le Pen. The leadership in Europe, led by German Chancellor Merkel and French President Macron, has identified these movements as the main threat to Europe’s stability at this point in time.

In sharp contrast to Merkel and Macron in Europe, Trump has encouraged the widespread public antipathy toward global values, international agreements, the opening of borders, and multiculturalism, and has advocated a return to simpler and more direct solutions, such as the use of force and the imposition of barriers to immigration and trade, as well as sympathy for a “strong” and autarchic leadership style, such as that of Russian President Putin. Trump’s worldview rejects the multilateral ideal of the EU, whereby relations between nations create mutual benefits, and rests on the belief in a zero-sum game, in which the benefit of one nation is always at the expense of others.
Trump holds a highly critical position regarding the EU, which he perceives as a pan-national organization that blurs national identities and shifts power from the hands of the “people” to those of the cosmopolitan elites. Trump has praised Britain for its exit from the EU and has emphasized that he expects additional countries to follow suit, since the EU blurs the unique nature of its members and “people want their country back.” In his opinion, the EU does not serve all of its members but rather is “a vehicle used by Germany to promote itself as an economic competitor to the United States.” Before entering the Oval Office, senior members of the transition team talked to European leaders and asked whether they would be next in line to leave the EU. Furthermore, Steve Bannon, former White House chief strategist, promised to work to promote bilateral relations with European countries as a counterweight to the EU. Trump himself made a number of promises in this vein that undermine the security partnership between the US and Europe. First and foremost he has questioned the NATO alliance and the commitment to mutual defense, and expressed a willingness to shed previous agreements and alliances that he perceives as a millstone around the neck of the United States, rather than as strategic assets, which was the view of his predecessor.

**Policy Gaps: The White House versus Brussels**

After over a year in office, it is possible to identify a number of components in Trump’s foreign policy, including the lack of an overall doctrine, the use of ad hoc short term solutions, and the definition of objectives on the basis of isolationist rather than global values. Loyal to this approach, Trump has limited American involvement in what he views as foreign interests on a number of issues, including with the exit from the transpacific partnership and from the Paris Agreement on climate change, his call to renegotiate trade agreements with countries in the Americas, and the suspension of negotiations for a transatlantic trade agreement. These actions, and in particular the withdrawal from the Paris Agreement, constituted a watershed from the viewpoint of the European leadership, and Merkel declared in response that “the days are over when we can depend on others.” At the heart of the dispute between the US and Europe stand three issues: intercontinental trade, the opposition to Russian aggression, and the future of NATO.

Of the three, transatlantic trade may be the most important. The trade balance between the US and the EU in 2016 was $136 billion in favor of
the EU. Trump’s basic approach is to “balance” the trade balance. To that end, the US must impose tariffs on European imports and cancel multilateral agreements that in his opinion improve the negotiating power of its trading partners. In addition, Trump is threatening to impose a 100 percent tax on the import of dairy products from Europe and other agricultural products, and to raise the import tariffs on vehicles to 35 percent.

The European leadership, under Merkel, has rejected Trump’s protectionist rhetoric. Thus, prior to the G20 summit in July 2017, Merkel stated that the developed countries need to strive for a situation in which globalization benefits all and rejected the ideas of protectionism and isolationism (though without mentioning Trump explicitly). Indeed, already prior to the meeting with Trump in March 2017, Merkel made clear that she would fight to preserve free trade and a “strong Europe,” even at the price of a confrontation with Washington. Furthermore, in response to Trump’s threats to raise tariffs on imports from Europe, senior Europeans, and first among them Cecilia Malmström, the EU Commissioner of Trade, warned that a rise in tariffs on the export of metal to the US would be answered by a rise in tariffs on American agricultural products, such as American whisky and orange juice, with the aim of doing harm to the farming states in the US, Trump’s main political base.

The transatlantic divide can also be seen in national security issues, the main one being the response to the Russian threat to the EU. President Putin has identified the EU and NATO as the main threat to Russia’s security and its political sphere of influence in Eastern Europe. In order to deal with what is perceived as Western expansionism into Russia’s sphere of influence, Putin in recent years has waged a counter-campaign to undermine the stability of Europe. This includes the use of military force in Ukraine, the deployment of forces along the border with the NATO alliance, the use of information warfare, and cyber tools to influence the outcomes of elections in Europe, including those in France and Belgium.

The root of the dispute between the European leadership and Trump lies in their different perspectives on the Russian threat. Europe views Russian aggression as a direct threat to its security and the integrity of the EU. This was made clear in the declaration by then-British Foreign Minister Philip Hammond that Russia is “threatening us all” since it ignores the international rules of the game. This contrasts with the American position: on the one hand, Trump has expressed his wish to promote positive relations with Russia.
in general and with Putin in particular, while demonstrating admiration for the Russian President. On the other hand, the Russian intervention in the 2016 elections has reinforced the perception of the Russian threat among legislators in the US. This led to the passing of sanctions to punish Moscow, which gained rare bipartisan support; Trump in turn was forced to accept and sign this legislation.

The third issue in the dispute is the future of NATO. The Russian aggression, and in particular the cognitive attack waged by Russia with the goal of swaying elections in Europe, has led to a discussion of the possibility of activating the mutual defense clause as a tool to punish Russia. However, since Trump came into office there have been question marks regarding the US commitment to its allies in general and to NATO in particular. During the presidential election campaign, Trump expressed doubt as to the necessity of the alliance and refused to commit himself to the mutual defense clause if one of the allies that has not fulfilled its obligations to the defense budget is attacked. The belated recognition by the President of the importance of the alliance (on April 12, 2017), his commitment to the mutual defense clause (on June 9, 2017), and the marginalization of Russian deterrence have been cause for worry among European countries with the respect to the meaning of Trump’s declarations. Does Trump intend to position himself as the leader that forced Europe to pay its way, or perhaps his intention is to prepare public opinion for the day when the US reduces its commitment to NATO?

In reaction to what was interpreted in Europe as American desertion, the discussion of the creation of a European “defense union” is gaining momentum. Thus, Germany, France, Italy, and Spain are calling for a joint European defense policy after the vote by Britain to exit the EU. German Defense Minister Ursula von der Leyen has declared that “the European Union must modernize its military defense and security to match NATO’s drive to beef up its own security forces in the wake of a major Russian build-up.” Federica Maria Mogherini, High Representative of the European Union for Foreign Affairs and Security Policy, has declared that Europe “will fill the vacuum left by the United States, including on the issue of NATO.” On the ground, there are growing indications of increased military integration in Europe, including reports of the integration of rapid deployments units into the German army and creation of a joint training facility for European armies.
Trump’s decision to withdraw from the agreement between the P5+1 and Iran over its nuclear program (JCPOA) is also a stumbling block in the relationship between the United States and Europe. The stance of the other four permanent Security Council members, Germany, and the European Union against the decision by the US President to withdraw from the agreement with Iran deepens the gaps in trust and may complicate cooperation between the US and its European partners.

**Conclusion: Is the Future of the Transatlantic Alliance in Danger?**

The transatlantic relationship is facing a watershed, with policy differences between the US and Europe on the core issues of Europe’s security and economy accompanied by personal and ideological differences. Trump views the globalist international system as challenging American hegemony, while the current leadership in Europe led by Merkel and Macron is committed to the global approach and greater integration in Europe. These gaps reflect a major contradiction to the historic US military commitment to Europe.

On the domestic front and in light of Russian aggression in the cognitive domain and the cyber realm, the efforts to maintain the integrity of elections in Europe as a critical infrastructure are of prime importance. In the absence of a legal precedent that defines when a cognitive attack aimed at influencing an election “crosses a red line,” it is not clear whether the mutual defense clause (Clause 5 of the North Atlantic Treaty) can be activated in a way that will deter Moscow from continued aggression, and whether Trump, who has rejected the intelligence appraisal that Russia is intervening in election campaigns in the West, will be prepared to commit himself to Clause 5 in such an instance. If Europe does not manage to develop military and technological response capabilities, it will reach a point where it is unable to respond to Russian cognitive attacks, which may boost the Eurosceptic parties and accelerate the breakup of the EU.

Trump’s aggressive declarations on trade issues, and in particular his willingness to raise tariffs in order to protect American industry, is liable to lead to a determined response from the EU, which has announced that it will respond in kind. The infamous historic precedent of the Smoot-Hawley legislation, when the US Congress raised tariffs in the early 1930s, led other countries to raise their protective tariffs. This led to a massive decline in international trade and transformed the Great Depression into a global economic crisis that also affected Europe during the 1930s. Because
the scope of global trade has grown exponentially since the end of the Second World War, such a tariff war is liable to have a similar or perhaps even worse outcome.

These disputes likewise harm the cohesion of the West in dealing with strategic challenges. Already now there are signs of gaps between the US and Europe on political issues (such as the relations with Iran and the fight against global warming). The loss of the feeling that Europe can “rely” on the US will force it to increase its internal military cooperation, both on the intra-European level and with international organizations and nations outside the EU. The “vacuum” left by the US is leading to a larger role for Europe (particularly Germany) in the current leadership of the Western world, in the shaping and preservation of world order, and in the response to global ecological, economic, and security challenges.

From Israel’s point of view, the split between the camp calling for a stronger international system (led by the EU) and the anti-globalist camp (led by the Trump administration) creates a complex strategic environment with respect to its two senior partners in the political, economic, and international security domains. The special relations between the US and Israel may force Jerusalem to distance itself further from Brussels and certainly be perceived in Europe as doing so, in a way that will make it hard to gain a real partnership status in the future. This in the short run may harm relations with Europe, which would be less reluctant to impose restrictions on business with companies that operate beyond the 1967 lines. On the other hand, Israel, which is not a member of NATO, will be able to exploit the increased need for security in Europe in order to deepen its military collaboration with European countries and institutions and possibly as part of an alternative defense coalition to NATO. Since Israel must battle severe criticism of its policies by the EU frameworks, it is possible that alternative bilateral or multilateral partnerships can strengthen its position against the current criticism and pressure.

Notes

14 Ben Kentish, “Donald Trump Says He Previously Claimed Nato was ‘Obsolete’ because He ‘Did Not Know Much About It,’” Independent, April 26, 2017, https://ind.pn/2q32UGz.
Andrea Shalal, German defense minister wants EU military to match NATO, 7 November 2016.

20 Including the approach toward the implementation of the nuclear agreement with Iran and the battle against climate change.

21 This refers to the agricultural and auto industries.