Embrace the Union
A New Progressive Approach for Reviving the Trans-Atlantic Alliance

By Max Bergmann  October 2019
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Introduction and summary

The United States needs a new progressive approach to revive and rebuild the trans-Atlantic alliance. Fully embracing the European Union and supporting European integration efforts that bolster the strength and resilience of Europe’s union should be core to a new American approach.

With the world witnessing an autocratic resurgence, the United States needs a strong and united European partner now more than at any time since the end of the Cold War. However, America’s approach to the European Union has oscillated from ambivalence to hostility and has failed to recognize that the European Union has the geopolitical potential of a rising power. When Europe is able to act as one, it has shown it can be a key force in global affairs and a powerful voice for liberal democratic values. A strong united Europe working in tandem with an America once again committed to its founding principles would create a robust liberal bulwark against the rising tide of authoritarianism.

But while Europe can rise, it can also fall. The European Union faces acute internal and external challenges, which threaten its stability. European integration has stalled as the European Union’s current institutional structure leaves it vulnerable and stymies its ability to act internationally. Washington needs Europe not just to remain united, free, democratic, and prosperous but also to become a powerful actor on the world stage. It is time for America to use its influence to bolster and strengthen the European Union. The United States should view the European Union as a nascent rising power and should adopt a patient and concerted strategy to encourage its rise. As such, the United States should seek to strengthen Europe’s union and support its rise by building and developing a new special relationship with the European Union.
A plan for strengthening Europe as an ally

The trans-Atlantic alliance is in crisis. It is a crisis of America’s own making, and it is endangering one of America’s greatest foreign policy achievements—the transformation of a war-torn and divided Europe into a continent united, democratic, and at peace.

Three years into the Trump administration, it has become clear that President Trump will not change course ... it is important to start thinking now about how to best repair, rebuild, and reinvigorate the alliance after a Trump presidency.

President Donald Trump’s administration has abandoned America’s traditional global leadership role, leaving U.S. allies shaken to the core. The Trump administration has taken a hostile approach toward Europe, treating America’s European allies—in particular the European Union—more like adversaries than allies. As such, President Trump has shown himself to be one of the gravest threats to the trans-Atlantic alliance since the Second World War. He has shown disdain for NATO, treating it like a protection racket.¹ He has called the European Union a “foe,” actively seeking to undermine it. He has also supported the European Union’s disintegration, including by supporting Brexit; attempting to stoke anti-EU, right-wing populist sentiment; backing anti-democratic governments in Hungary and Poland; initiating a trade war with the European Union; personally attacking European leaders; and downgrading the diplomatic status of the European Union.² This has caused dismay within Europe, cratered public opinion of the United States, and initiated a debate about the future of Europe’s relationship with the United States.

Three years into the Trump administration, it has become clear that President Trump will not change course and adopt a more positive and constructive approach toward the trans-Atlantic alliance. Yet, it is important to start thinking now about how to best repair, rebuild, and reinvigorate the alliance after a Trump presidency.

While the Washington foreign policy community has expressed shock and horror at Trump’s hostile approach to European allies, the United States will not simply be
able to hit a reset button after Trump and revert back to previous American administrations’ approaches toward Europe. The recently departed French ambassador to the United States, Gérard Araud, explained insightfully a misconception: that “when Trump leaves power, everything will go back to business as usual. That’s the dream of Washington, D.C.”

Rebuilding the trans-Atlantic alliance after President Trump will require a new American approach toward Europe. This is necessary not only because of the damage caused by the Trump presidency, but also because the approaches of past administrations are outdated and ill-suited to a changing European continent facing a more hostile geopolitical environment. Europe has fundamentally transformed since the 1990s—the last time the United States thought deeply about Europe’s strategic direction.

The last 20 years have seen the process of European integration accelerate. The European Union is a new form of governance essentially unprecedented in a history: a federal supranational governing body fusing together its 28 members into a political and economic union. Since the formation of the European Union, the process of European integration has accelerated and welded together a continent rife with ethnic division and state conflict—and without considerable democratic tradition—into a liberal democratic continent that is a zone of peace and stability. It is a remarkable achievement that, after centuries of conflict and world wars that resulted in tens of millions of deaths and mass devastation, Europe was able to transcend its ethnic and national differences and build a new, innovative form of government that would serve to unite a continent.

Europe achieved this with the backing, and often through the insistence, of the United States, which pushed aggressively and consistently for European integration through the Marshall Plan and through intensive diplomatic engagement that supported the creation of the European Coal and Steel Community and the European Economic Community. Today, the European Union provides a model for the success of democracy, social market economies, and open societies. This is an achievement that the United States made possible.

However, Washington has spent the past two decades largely ignoring the process of European integration and therefore has missed Europe’s dramatic transformation. After 9/11, America’s attention shifted to counterterrorism and the Middle East. Europe was, for all intents and purposes, seen as solved. The United States wanted Europe to contribute more and complain less about American policy. Europe was seen from Washington through the prism of NATO, and, as such, the key focus
was not European integration but rather how to make NATO useful in supporting America’s overstretched military forces. European integration was seen as a European project that did not involve the United States. Washington lost touch with the twists and turns of European integration and its resulting complex organizational structure. The lack of comprehension of European integration meant that the European Union effectively became a caricature for Europe, leading to the European Union being perpetually derided in Washington as feckless, ineffective, and irrelevant. The European Union was seen as a time-consuming bureaucracy that could cause diplomatic headaches. As such, the United States looked upon European integration ambivalently during the 21st century. Through both Democratic and Republican administrations, the United States has been a force perpetuating the status quo in Europe, acting more often as a brake on, rather than an accelerant for, European integration.

Furthermore, the European Union also became a proxy within a broader American foreign policy debate over multilateralism. This was one of the central foreign policy differences between Republicans and Democrats during the 2000s. The European Union was thus often seen through a domestic political lens in the United States, with American conservatives viewing it with instinctive derision and animosity and American liberals viewing it as a model for international cooperation. Additionally, American conservatives resent European opposition to certain foreign policy approaches of conservative administrations, such as the invasion of Iraq, the condemnation of detainee treatment, the withdrawal from the Iran agreement, attacks on international organizations, and the withdrawal from Paris climate agreement. In short, American conservatives fear that a stronger, more vocal European Union will hinder their ability to pursue shortsighted and ill-fated approaches that undermine American national security. But this is actually a feature of Europe’s rise, given the irresponsible course pursued by conservative American administrations. However, the conservative turn against the European Union in recent years also means that the bipartisan consensus toward European integration that was largely in place since World War II no longer exists.

Where bipartisan consensus does exist is in America’s continued support for NATO. Trump’s badgering of NATO countries and his seemingly weak commitment to the alliance has prompted an outpouring of support for NATO from both Democratic and Republican politicians. Indeed, despite a continued lack of defense spending from European countries, NATO’s force posture in Europe has been significantly bolstered in the last five years under both the Obama and Trump administrations. NATO therefore remains robust, despite Trump.5
But NATO is not Europe. As important as NATO is—and the security that the alliance provides creates the foundation for European integration—a NATO-centric approach from Washington misses the shifting power dynamics within Europe. The European Union in Brussels—not the European capitals nor NATO headquarters—has become the political center of gravity for Europe. European states are no longer as powerful as they once were, as the United Kingdom, France, and other European countries lack the international clout they once had. As a result, they have individually become less impactful allies on the world stage. While Germany stands in contrast, as its geopolitical clout and influence within Europe and internationally has grown, its narrow conception of national interest and reticence to step out on the world stage has left both Germany and Europe punching well below their weight globally. Continuing to focus American diplomatic energy on individual European states will therefore leave Washington perpetually disappointed. The United States should also recognize that simply calling for Europe to “get its act together” and to plead with Germany, in particular, to do more is not going to work. Where Washington will find vision and drive for a stronger European role is not in the increasingly parochial individual European nations but rather in the capital of the European Union: Brussels. If Europe is going to assert itself and become a more critical ally, it will do that through the European Union and not through the nation-state.

Washington needs to stop imagining Europe as it was—a collection of nation-states. Instead, it needs to start viewing Europe how it is now—a single, if still weak and nascent, political and economic union—as well as how it wants Europe to be: united, cohesive, free and democratic, and a powerful ally on the world stage.

Yet the European Union is currently stuck in an institutional purgatory. While it has transformed and integrated Europe, resulting in the transfer of significant responsibilities to the European Union from the nation-state, there are also critical areas where responsibilities have not been transferred. This has left important gaps in the European Union’s capabilities that make Europe vulnerable. For instance, the European Union has a currency and monetary union with the euro, but it has no supranational fiscal union or fiscal policy. Another economic crisis could therefore severely test the European Union, particularly with the rise of populist and anti-EU parties. Additionally, the lack of integration of the European Union’s foreign and security policy has made it difficult for the European Union to forge unified posi-
tions. As a result, the European Union—with its enormous single market, with spending on defense second only in size to the United States, and with the highest spending on international development in the world—is unable to effectively leverage its power to assert itself on the international stage. Nor is Europe likely to be able to get its “act together” on a timeline needed by the United States without an external crisis or significant encouragement from the United States.

Strengthening the European Union is now essential. Europe is no longer geopolitically peripheral, as it was perceived by Washington after 9/11, nor is Europe immune from geopolitics, as many in Europe perceived after the formation of the European Union. In fact, Europe has become geopolitically central due to the rise of authoritarianism. Autocratic states such as Russia and China seek to divide and weaken the European Union in a deliberate effort to prevent it from asserting itself internationally. A united, free, and democratic Europe is also more difficult for autocrats to work with, and the European Union’s success provides a striking alternative model to their autocratic governments. As a result, autocrats seek to diplomatically exploit divisions within the European Union, amplify nationalist and populist voices, and gain leverage through targeted investments. Bizarrely, Russia, China, and the Trump administration are all currently working toward the same objective: weakening and potentially unraveling the European Union.

The collapse or unraveling of the European Union would be a geopolitical disaster for the United States. Not only could this cause a global economic shock, but it could also reintroduce the security dilemmas and balance of power politics to Europe that have been the norm throughout its history. The peaceful unification and integration of Europe, as facilitated by the United States, is perhaps one of America’s greatest foreign policy accomplishments. President Dwight Eisenhower remarked in 1957 that he hoped he would “live long enough to see a United States of Europe come into existence.” With the achievement of a united and integrated Europe now threatened by both internal and external challenges, the United States needs to do more than simply fret about the prospects of the European Union’s unraveling; it should develop an approach that seeks to bolster the European Union’s cohesion and unity.

To do so, Washington needs to stop imagining Europe as it was—a collection of nation-states. Instead, it needs to start viewing Europe how it is now—a single, if still weak and nascent, political and economic union—as well as how it wants Europe to be: united, cohesive, free and democratic, and a powerful ally on the world stage.
America needs a new approach toward Europe that embraces Europe’s transformation and that unequivocally supports the European Union. The rise of the European Union as a strategic actor and global player is firmly in Washington’s interests. As such, the United States should view the European Union as a possible rising power—a potential geopolitical force and essential strategic partner that could help counter challenges posed by rising authoritarianism. Europe has the potential to become a much stronger global ally, as a key voice for liberal democratic values, a model for successful multilateralism, and an important stalwart in upholding a rules-based international order. Europe’s rise, just like other rising powers, is far from assured. If it occurs, it will be gradual and take time. Yet the European Union in the short, medium, and long term should be America’s partner of first resort.

In a previous paper, the Center for American Progress argued that in order to rebuild U.S. alliances and restore American leadership—especially in the face of growing geopolitical challenge from the rise of authoritarian rivals—the United States needs a new approach that embraces a democratic, values-based foreign policy and that rebalances America’s diplomatic, military, and economic efforts toward democratic states. At the core of this strategy lies the need for America to strengthen its relationship with Europe.

The United States should strive to forge a new special relationship with the European Union akin to its relationship with the United Kingdom. In so doing, the United States should try to develop common U.S.-EU approaches toward major challenges such as Russia, China, democratic decline, migration, corruption and money laundering, as well as key economic challenges. Establishing this relationship will require immediately reversing course on the withdrawal from the Iranian nuclear agreement and the Paris climate agreement.

On defense, the United States should fully support an expanded EU role. European states are unlikely to meet their defense spending commitments of 2 percent of gross domestic product (GDP), because, for most European states, defense is not about national defense but rather about collective defense. Instead of Washington resisting collectivizing and integrating defense through the European Union, as it has since the 1990s for fear of the European Union complicating NATO efforts, it should fully back EU efforts to rationalize and integrate European defense capabilities. Such an approach will serve to strengthen NATO by strengthening European defense capabilities.

On foreign policy, the European Union has considerable influence when it acts as one on the world stage. When European states act separately, their influence is diminished. The United States should therefore back steps to expand the European Union’s role and presence in foreign policy.
On economic policy, the European Union is integrated economically, but significant gaps remain that pose severe potential vulnerabilities. The United States should support efforts to strengthen the European Union’s economic resilience and to encourage its members to address the deflationary trap caused by austerity imposed by the euro. The United States should also endeavor to create a new economic partnership with Europe that not only ends the current trade disputes but also prioritizes social and economic cohesion.

A key variable in this report is the loss of U.S. influence and credibility. Not only is the United States not nearly as influential as it was during the Cold War, but it is also not as influential as it was four years ago. The presidency of Donald Trump has caused a dramatic rise in anti-American sentiment in Europe and led to calls to pivot away from allying with the United States. A new U.S. effort to partner with the European Union may find a dubious partner. Nevertheless, if America is to rebuild its geopolitical clout, it will need to revive the trans-Atlantic alliance. Furthermore, American influence in Europe remains substantial in spite of Trump. For example, U.S. opposition to EU defense efforts have effectively frozen them in place for more than two decades. A United States that engages Europe in strong support of European integration and uses its diplomatic leverage and clout to further those goals, just as the United States did after World War II, could have a significant impact on Europe’s direction. The U.S. should once again use its leverage and influence to support European integration. It is time for the United States to embrace the European Union.
From ambivalence to hostility: America’s 21st-century approach toward Europe

“Let me reaffirm clearly the support of this administration for European unity. We consider a strong and united Europe not a rival, but a partner.” – President Ronald Reagan, 1982

Since the founding of the United States, Europe had dominated America’s geopolitical thinking, from fear of European intervention in the United States and the Western hemisphere in the 19th century to world wars and conflicts in the 20th century. After the Cold War ended, Europe continued to consume Washington’s attention. The United States engaged in two conflicts in Europe—Bosnia and Kosovo—and sought to manage the collapse of the Soviet Union and the Warsaw Pact, unify Germany, and expand NATO.

But, in the 2000s, Europe went from being the focus of American foreign policy to an afterthought. From Washington’s vantage point following 9/11, Europe was seen as essentially solved—a zone of peace and democratic stability where history had seemingly ended. Washington’s attention became consumed by counterterrorism, wars in the Middle East, and eventually, China’s rise.

The Washington foreign policy community viewed Europe with annoyed ambivalence. The United States was annoyed by the feebleness of Europe’s contributions to the costly wars in Iraq and Afghanistan; the diplomatic deference Europeans expected despite their lack of contributions to NATO; and the occasional strong European opposition to American initiatives and actions, such as the invasion of Iraq. America was also increasingly ambivalent about the European Union and the project of European integration. After all, America was not in the European Union, struggled to understand the dynamics of integration, and was uncertain whether a united Europe untethered from American dependency was in U.S. interests. Washington’s ambivalence made it a force for the status quo in Europe, encouraging Europe to get its act together but fretting and opposing EU efforts that might reduce Washington’s influence.

Successive Democratic and Republican administrations saw little practical value in engaging with the European Union and viewed EU integration efforts as an internal effort that did not involve the United States. The European Union was seen by U.S.
policymakers as little more than another regional organization. Engaging the European Union was often viewed as an impediment and a bureaucratic slog. During both the George W. Bush and Obama administrations, the United States was largely ambivalent toward the project of European integration, which meant it was essentially silent and absent in critical debates over Europe’s future, including the future of the euro, the European Union’s institutional structure, and even hot-button issues such as migration. With the overriding focus on conflicts in the Middle East, especially prior to 2014, the U.S. State Department and the Pentagon directed their energies to corralling and coordinating individual European contributions. In the run-up to the Iraq war, then-Secretary of Defense Donald Rumsfeld, frustrated by France and Germany’s opposition, divided Europe into two: old and new. New Europe included the new Eastern European members who were supporting the United States and joined the “coalition of the willing.”

But the annoyed ambivalence was bipartisan. Despite European enthusiasm for the new Obama administration, Europe soon felt neglected. There were a series of small but noticeable diplomatic slights early on in the administration. President Barack Obama skipped the 20th anniversary of the fall of the Berlin Wall and was too busy to attend an EU-U.S. summit in Madrid. At the same time, the administration was highlighting the pivot to Asia. As Tom Wright explained in a 2017 Brookings Institution report, “Over the past 10 years, starting in the Obama administration and accelerating in the Trump administration, the United States has retrenched diplomatically and politically from Europe. … Obama felt that the United States should leave the European project to Europeans.” The Obama administration supported the idea of European integration but never offered a clear vision for what it wanted Europe to become—it was up to Europeans to decide. After World War II and throughout the Cold War, America was deeply engaged in internal European issues. But Wright observed in his report a stark contrast from today:

> When one looks at the array of problems in Europe today—Catalonian separatism, faltering Brexit negotiations, difficult relations with Turkey, Russian political interference, the fallout from the refugee crisis, illiberal political trends in countries like Poland and Hungary, and differences over the future of the eurozone and the EU—the striking thing is the absence of the United States. Political problems appear to fester without meriting so much as a phone call from the president or secretary of state, let alone a concerted national effort to shape the outcome.

During the Obama administration, working with Europe was largely seen as an important functional, or multilateral, task, something that was done to avoid isolation and share the burden of global security.
The European Union also became an ideological proxy in a wider debate that dominated American foreign policy fights throughout the George W. Bush and Obama administrations. The European Union became viewed with seething hostility by the American right; it seemed to embody all that the right feared of multilateral organizations. As the European Union expanded, it subjugated the nation-state and created a new supranational bureaucracy in Brussels. The European Union was seen not as a governmental entity with which the United States had to engage, but rather as an entity to oppose.

Conservative Washington think tanks have frequently critiqued the character of the European Union, mimicking generic U.K. conservative party criticisms of the European Union being bureaucratic, undemocratic, and socialist. The Heritage Foundation became a leading purveyor of hostility toward the European Union in Washington. Heritage Foundation senior fellow in Anglo-American relations, Ted Bromund, articulated the standard pro-Brexit attacks on the European Union in a piece titled “Ten Myths about the European Union,” asserting, “The essence of the EU ... is that it is a supranational authority that has steadily imposed ever-tighter constraints on the free and democratic nations of Europe.”

In 2009, Heritage’s Sally McNamara wrote a report titled “The EU’s Common Foreign and Security Policy: How It Threatens Transatlantic Security.” She argued that the United States should oppose the European Union’s Lisbon Treaty, which strengthened the European Union’s role in foreign and security policy, stating that the then-new Obama administration “must make clear that building enduring bilateral alliances is a top U.S. foreign policy priority.”

This outright hostile approach toward the European Union has been adopted by the Trump administration. President Trump and his administration have been cheerleaders for Brexit. As a candidate in 2016, Trump called himself “MR. BREXIT” and urged the United Kingdom to “walk away” from talks with the European Union. Trump’s former national security adviser John Bolton said the United Kingdom would “jump to the ‘front of the queue’” in trade negotiations. And Secretary of State Mike Pompeo went to Brussels and attacked the European Union, asking, “Is the EU ensuring that the interests of countries and their citizens are placed before those of bureaucrats here in Brussels?” The speech left Europeans stunned for its “ignorance and arrogance,” as former Obama administration official Julie Smith surmised in Foreign Policy. In Washington, meanwhile, in a petty act it later reversed, the Trump administration downgraded the diplomatic status of the EU diplomatic mission to Washington.
As a result, there no longer is a bipartisan American approach toward Europe. The bipartisan support for integrating Europe after World War II, as seen through the Marshall Plan, the formation of NATO, and the backing of the European Economic Community, no longer exists. While there is general bipartisan consensus toward supporting NATO in Washington, there is now strong conservative opposition to European integration and the European Union.

However, concern over the future of Europe now once again permeates Washington. Russia's illegal invasion and seizure of Ukrainian territory and its aggressive posture toward NATO and EU members have revived concerns over Europe's territorial defense and security. The emergence of anti-EU populist far-right parties fueled by Europe's languid recovery from the Great Recession and the 2015 wave of migration has led to concerns about the stability of the European Union. A united, democratic Europe can no longer be taken for granted. There is a growing sense of the need to reengage and revive the trans-Atlantic alliance. As Wright explains, “The United States must choose between ... adopting a stance of benign disinterest, or returning to a strategy of deep engagement in Europe in pursuit of shared security and prosperity.”25
Reengaging a changing Europe

Engaging Europe is hard, as there is no singular point of contact. Former Secretary of State Henry Kissinger was purported to have quipped that when he wanted to call Europe, he didn’t know who to call. America’s approach has echoed this, focusing on Europe’s nation-state capitals and NATO, while largely neglecting the European Union. But Europe’s power dynamics are shifting away from its nation-states, and Brussels should become more of the focal point for Washington’s engagement with Europe.

As the United States turns to Europe after President Trump, its framework for approaching the continent is in need of an overhaul. Europe has transformed itself over the last 20 years—so much so that a diplomatic strategy of deep engagement focused on herding Europe’s 28 nation-states is bound to disappoint Washington. Europe’s states have seen their power erode or are unwilling to exercise their clout on the world stage. Thus, an engagement strategy focused on Europe’s states doing more will lead nowhere, and focusing on European capitals—and not on the European capital—no longer makes sense. However, engaging the European Union will not be easy or straightforward. The European Union remains stuck in an institutional purgatory. It has tremendous potential power but is unable to exercise it on the world’s stage. This section outlines the challenges of engaging a changed Europe.

The declining power of European states

The United States principally engages “Europe” in its various European capitals, most notably focusing on the big three powers: the United Kingdom, France, and Germany. Such an approach remains sensible. These European states continue to drive the continent’s broader approach to the world. Furthermore, the lack of a strong EU foreign policy apparatus has made shuttle diplomacy among London, Paris, and Berlin an essential part of American engagement with Europe. Yet, the geopolitical clout of European states has declined considerably since the end of the Cold War. While Germany is the exception, its lack of a strategic culture and narrow conception of national interest has made Germany a reluctant and unreliable player
on the world stage. Berlin has the power to move Europe, yet thus far, Germany has been reluctant to do so. The United Kingdom’s impending departure from the European Union will also further erode its influence and dramatically alter America’s traditional pattern engagement with Europe. The special relationship between the United States and the United Kingdom, already having lost much of its former luster, will be a shadow of itself. France, meanwhile, strives for Europe to fulfill a role that America should support, yet France lacks the clout to dictate the direction of Europe. Furthermore, the influence of other European states has been reduced in part because of the emergence of the European Union, which consumes much of these states’ diplomatic energy. Therefore, focusing primarily on Europe’s nation-state capitals as the locus of U.S. engagement is bound to leave the United States disappointed and frustrated.

The United Kingdom: A wavering relationship
The long-heralded special relationship with the United Kingdom is waning. This is not just the result of Brexit. The toll of the Iraq war on the U.K. military and austerity from conservative Tory governments has led to the significant decline of not just the United Kingdom’s armed forces but also its global ambitions.29 The United Kingdom remains an important and valued contributor, as its military remains potent and its overseas territories provide bases for U.S. forces. But there has been a decline in both the United Kingdom’s military capacity and its willingness to partner with the United States.30

Furthermore, the United Kingdom’s departure from the EU will significantly reduce its diplomatic relevance to the United States. The United Kingdom has served as America’s de facto translator in the European Union, explaining and flagging initiatives that could impact U.S. interests.31 The United Kingdom has also served as chief advocate and protector of the trans-Atlantic relationship within the European Union, often serving to block EU actions that the United States opposed. Professor and author Desmond Dinan explained that “the United States consistently supported European integration and British participation in it. To the extent the special relationship existed, it did so despite, not because of, Britain’s refusal to join the European communities. ... Regardless of Britain’s opposition, the United States strongly supported deeper European integration.”32 The collapse of the United Kingdom’s influence within the European Union will require the United States to devote more attention to cultivating diplomatic partnerships with other European players.

Furthermore, the inevitable all-consuming focus on Brexit and its fallout will make the United Kingdom increasingly distracted from other world events. The United Kingdom has already shown itself to be enamored with the Chinese market, focused
on rolling out the red carpet for Xi Jinping and breaking with the United States and joining the Chinese-initiated Asian Infrastructure Investment Bank. Additionally, the United Kingdom has been incredibly reticent to deal aggressively and comprehensively with Russian malign influence. The United Kingdom may act to address specific egregious incidents but lacks the will to uproot the systemic nature of Russian influence within its borders.

Furthermore, a United Kingdom coping with the economic fallout of its departure from the European Union will be intensely focused on building international economic ties with any willing partner it can find. Economics, not geopolitics, will likely drive U.K. thinking. This will lead to a narrower and insular approach to international affairs, reducing the United Kingdom’s dependability to the United States. The United Kingdom is, and will remain, an essential partner for the United States, a significant military power and financial center, but the heyday of the special relationship is almost certainly over.

France: The new special relationship?
France may have already surpassed the United Kingdom as America’s closest European military partner. Fifteen years ago, the U.S. Congress changed the name of French fries in the congressional cafeteria to “freedom fries.” Since then, France rejoined NATO in 2009 and has partnered with the United States in a number of military operations. France in particular has taken a lead role in the Sahel, deploying more than 3,000 forces, while the United States supports these efforts through aerial refueling and intelligence and surveillance. France has also been willing to engage militarily to address crises in the Middle East, such as in Libya and Syria. France has become the European power most likely and willing to partner with the United States in a military intervention. Under President Emmanuel Macron, France is also seeking to develop Europe’s capacity to act to address out-of-area contingencies by working to create a European intervention force made up of willing European countries that, if called upon, could take military action. France rightly sees itself as the military leader of Europe, a role that will likely grow in prominence with the departure of the British and German reticence.

However, France’s anemic recovery from the economic crisis and its sclerotic economy have limited its ability to resource its grand global ambitions. Yet France’s recognition of its limitations is in part why it is pushing to expand the capabilities of the European Union in a number of areas, including foreign and security policy. France seeks to build the European Union into a major global player. While Washington has long feared that the European Union would be a vehicle for French
domination, especially following French President Charles de Gaulle’s decision to remove France from NATO in 1966. But the European Union—with its 28 members and increasingly powerful executive, the European Commission—is not easily controlled. Moreover, the expansion of the European Union’s authority would also involve France subjugating itself to the European Union in foreign and security policy. Therefore, past American concerns that the European Union would serve as a vehicle for French nationalist or Gaullist ambitions, which were often outwardly anti-American, are outdated and simplistic. France wants to empower the European Union, because it recognizes that the European Union can be a more powerful international player than France can be on its own. Therefore, a strong European Union serves France’s national interests, just as it serves American national interests.

However, while President Macron has laid out a bold vision for the European Union and proposed reform after reform, he has not been able to convince German Chancellor Angela Merkel to join him in bolstering the European Union. While some progress has been made, France is no longer able to set Europe’s course as it had in the past. Nevertheless, France will likely be a key—if not the key—partner for an American administration seeking to bolster and strengthen the European Union.

Germany: The reluctant superpower

Germany has emerged as the key power in Europe and has set the course for the European Union over the last decade. Chancellor Merkel is rightly admired for her professionalism and dignity in her conduct of international diplomacy, her advocacy for democracy and human rights, and the humanity she showed during the 2015 refugee crisis. Germany, however, is a force for the status quo in Europe—a status quo that largely benefits Germany but ultimately leaves the European Union in a very precarious position.

Germany has the economic and political might to drive EU policy, further EU integration, revive Europe’s moribund economic situation, and turn Europe into a potent global player. Yet Germany remains reticent to do so. Much of this is due to the legacy of World War II and Germany’s postwar rehabilitation. Germany sought to become a “normal” country, dismissing the notion that it was “exceptional” or that there was a German sonderweg, or “special path.” Thomas Bagger, the director of foreign policy in the Office of the Federal President of Germany, assessed recently in The Washington Quarterly, “The strong pacifist streak produced by two catastrophic wars that set Germany’s security and defense debates apart from neighbors such as France or Poland did not lose its relevance.” He assesses that Germany embraced the notion that history had ended after the collapse of the Berlin Wall, believing that
the era of geopolitics ended in 1989. Germany’s entire strategic outlook and culture is therefore built on collaboration and cooperation, not on power politics and geopolitical competition. Bagger concludes that “Germany is more fundamentally challenged than others by the recent turn in international affairs” toward greater geopolitical competition.42

Berlin is thus ill-prepared for this new era, leaving much of Europe and the liberal world disappointed and often aghast at the seemingly hypocritical conduct of its foreign policy.43 After Trump’s election, Angela Merkel was anointed by some as the new leader of the free world.44 While this was overstated, there was the potential for it to be true. With the United States walking away from its traditional leadership role, Merkel, as leader of the most powerful and influential country within the European Union, possessing the ability to drive the European Union, could have pushed for considerable action both within the European Union and globally. But Merkel dismissed the premise. Julie Smith, former Obama administration official and fellow of the Robert Bosch Academy in Berlin, expressed exasperation at Merkel’s lack of tangible action, noting that she highlights the problems internationally, “but she isn’t helping Europe to do anything about it.”45

Germany, therefore, has likely missed its moment. With an increasingly partisan domestic political situation, Germany seems unlikely to reverse course and step up on the world stage. The country will therefore remain a rather insular power, with a narrow conception of national interests that will prevent it from revamping and bolstering the European Union. This is an unsettling dynamic. German stewardship of the European economic crisis left Europe and the euro currency teetering on the verge of collapse. Since the Great Recession, Germany has been a force for austerity and deflationary economics that are strangling the economies of southern EU members, helping to create an environment in which populists can thrive.46 Merkel’s approach to European economic issues prioritizing a narrow German outlook was fortunately mitigated by the tenure of Mario Draghi as head of the European Central Bank (ECB), who worked aggressively, often over German objections, to save the euro and stimulate eurozone economies. As Financial Times columnist Martin Wolf concluded, “The recovery of the eurozone from its crisis, perhaps even its survival, owes more to the ECB than any other institution.”47

Militarily, despite a considerable budget surplus, Germany spends just 1.2 percent of its GDP on defense.48 Its neglected armed forces are now in a shockingly decrepit state: None of its submarines are operational; just four of its 128 Eurofighter Typhoon combat jets were combat ready in 2018; it lacks dozens of tanks and
vehicles for NATO operations; and its troops lack body armor, cold weather gear, and night vision. Helicopter pilots lack helicopters to fly and are unable to train. 49 Moreover, Germany’s penchant to seek better ties with Russia could lead to friction, especially over Germany’s willingness to move forward with Russia’s Nord Stream 2 gas pipeline. 50

While Germany could lead the European Union and push it in a direction that addresses many of its weaknesses, it has refused to do so. European integration has advanced when Germany and France move together—such as with the founding of the European Coal and Steel Community after World War II; French support for German unification after the Cold War, despite significant concerns; and Germany agreeing to the creation of an economic union and common currency. French President Macron has offered proposal after proposal to bolster the European Union, seeking a renewed Franco-German partnership. Yet every overture has been dismissed by Berlin. 51 Germany is enamored with the idea of a Europe in union, but it balks at the price. Brookings Institution Senior Fellow Constanze Stelzenmüller explains that “no other country has been so deeply in denial about the tension between its high-minded normative convictions, and its own selective compliance with them. We sing the praises of normative universalism, but are absolutely ready to swerve away from our convictions in pursuit of our national interest. We see ourselves as the engine of European integration, but when it comes down to it, German governments regularly hit the brakes.” 52

Germany therefore remains a reluctant power that will undoubtedly frustrate a new energetic American administration seeking to revive the trans-Atlantic relationship. A new administration should not bank on Germany suddenly asserting itself internationally.

European states: When foreign policy is domestic policy
Europe’s other states have varying clout and influence on the world stage. For example, Spain maintains strong relationships with Latin America and provides important staging bases for the alliance in North and West Africa. Sweden is the world’s largest funder of international development per capita. Nordic and Baltic states maintain a laserlike focus on Russia and lead the way in responding to foreign interference. Italy and Greece are coping with a migration crisis in the Mediterranean and serving as the front line for dealing with instability from Syria and North Africa. But overall, the diplomacy of European states—small and large—has been increasingly consumed by Brussels. The foreign policy of EU states is often focused internally, while the energy and attention of foreign ministries is directed at Brussels rather than outside of the European Union. This is not unusual, as smaller European states
have long focused on events within Europe. Seeking to develop new coalitions of smaller states is unlikely to significantly alter the dynamics within Europe.

In sum, the United Kingdom is no longer punching above its weight but is losing weight, France is trying to punch above its weight, and Germany doesn’t know how to punch. Other European states are focused on punching one other in Brussels. Overall, a continued American focus on engaging European states is unlikely to result in a significant shift.

**America’s NATO-centric approach toward Europe**

When Washington thinks about the future of Europe, it often does so through the lens of NATO. NATO remains the guarantor of European security, providing the foundation for European integration and therefore enabling the formation of the European Union. It provides an umbrella of security through the Article 5 commitment that deters adversaries and challengers. NATO also critically coordinates defense and security decisions and provides a strategic direction for the continent. But NATO is ultimately a military alliance and therefore fails to capture most issues and challenges that animate the continent and trans-Atlantic relations.

After decades adrift, searching for a new raison d’etre, the NATO alliance is now back to its core mission: defending Europe from Russian aggression—the very reason the organization was founded in the first place. After Russia’s invasion of Ukraine in 2014, the Obama administration dramatically expanded U.S. military support to the European theater. And in various NATO summits following 2014, NATO took needed steps to reposture toward the renewed threat from Russia. Despite President Trump’s refusal to strongly commit to Article 5, the Jim Mattis-led U.S. Department of Defense, aided by ample funding from Congress, expanded on the approach laid out during the Obama administration by expanding the resources directed to Europe. The effort, initially called the European Reassurance Initiative, has been strengthened through substantial congressional funding and has become the European Deterrence Initiative.

Meanwhile, NATO has reorganized and taken important steps to meet the challenge posed by Russia. NATO has deployed multinational battlegroups to the Baltic states; brought back military commands focused on moving forces across the Atlantic to Europe and across Europe to the east to cope with a Russia contingency; and established air-policing missions in the Baltic Sea and the Black Sea. Charles Kupchan, who served on the National Security Council during the Obama administration, argued that, despite political concerns from the Trump administration and lack of European defense spending, NATO is on very firm footing and is in “extraordinarily robust shape.”
While European defense spending has not met American expectations, there have been substantial increases, particularly among the states most sensitive to the threat posed by Russia, such as Poland, the Baltic states, and even non-NATO countries such as Sweden. This increase in spending is not the result of American badgering, but rather due to the shock caused by Russian annexation of Ukrainian territory. The ease with which Russia conducted those operations led European states from Romania to Sweden to bolster their defenses. Furthermore, one positive aspect of President Trump’s hostility toward NATO is that it has led to renewed bipartisan support for the alliance in Congress, resulting in congressional resolutions and large delegations to European summits and conferences.

Nevertheless, NATO is not without its own challenges. The alliance is not well equipped to respond to Russian political, economic, cyber, and election-related interference, as well as other hybrid or so-called gray zone challenges that entail more political and regulatory responses. While NATO helps coordinate and set needed force requirements, there is incredible waste and duplication among its 29 member nations. NATO members such as Turkey and Hungary have rolled back democratic institutions, challenging NATO’s claim to be an alliance of democracies.

The problem, however, of low European defense spending has consumed not just NATO but also the trans-Atlantic relationship. European states are well below the agreed-upon contribution threshold of 2 percent of GDP, and the military capabilities and readiness of European forces remain in a shocking state. The marginal increases in defense spending have not been enough to mask the general disinterest among European states on spending more on defense. While President Trump’s badgering of European countries has largely proven counterproductive, the more kindly prodding from President Obama was not any more effective. This has left America in a state of bipartisan exasperation.

It is worth assessing why European states still refuse to meet their commitments. The answer is varied, but it is not simply that European states enjoy being free riders off America’s military might. European states understand the importance of solidarity and the responsibility of membership in an organization; they often understand this more so than the United States, which is why European states have often made excuses for this lack of spending, pointing to development contributions or playing accounting tricks to show that defense spending is higher than it actually is—something the United Kingdom has done. The major problem is that many European states no longer see national security as primarily the responsibility of their state and are increasingly willing for the European Union to take on that responsibility. Defense is increasingly seen as a collective European responsibility.
When it comes to defense, European states increasingly think less like nation-states and more like states in the American conception. Asking an American state to voluntarily devote 2 percent of its budgets to national defense would result in similar shortfalls. Would Vermont use 2 percent of its tax revenue it uses for schools and roads to pay to defend the Texas border? While the analogy is an exaggeration, it does touch on the root of the problem. Slovenians and Belgians see themselves as European; they value Europe and want Europe to be defended. But their politicians are also hesitant to take money from their states’ schools or pension funds to spend more to defend Estonia. By asking for significant increases in defense spending, the alliance is asking member states to think geopolitically, not locally. However, short of a massive external shock, which Russia’s invasion of Ukraine caused for some, it remains highly unlikely that European states will do so. In a 2013 Foreign Policy piece, Mark Leonard and Hans Kundnani explained that “the EU has revolutionized the way its members think about security, replacing the old traditions of balance-of-power politics and noninterference in internal affairs with a new model under which security for all is guaranteed by working together.”

A state-centric approach to European defense is bound to leave Washington disappointed. Over the last decade, the United States has both played good cop, with Obama, and bad cop in the form of Trump. Europe has seen a neighbor invaded and the election of an American president with little commitment to European security, yet even these developments failed to result in a broad increase in European defense spending. Washington has seemingly tried everything. But the one approach it has not tried is embracing the expansion of the European Union’s role into European defense.

The driver of any renewed effort to bolster European defense is most likely to come from the European Union. Yet Washington has consistently stymied and opposed EU defense efforts. Worried that the European Union will potentially impinge on NATO competencies and reduce the importance of NATO and undermine U.S. influence in Europe, the United States has made its voice heard whenever the European Union has sought to involve itself in defense. When the European community was negotiating the Maastricht Treaty to form the European Union in 1991, the United States was largely aloof. But as Professor Desmond Dinan of George Mason University noted, “The United States made its disapproval of a European defense identity or capability known early in the conference, thereby nixing discussion of the issue.”

During the Clinton administration, the United States pushed vigorously for NATO expansion and was frustrated by the slower pace of EU expansion. The United States
could not drive EU expansion, but it could control NATO’s, which became the focus of U.S. policy toward Europe. As NATO was expanding, the United States sought to put the European Union in its place.65 In December 1998, then-Secretary of State Madeleine Albright, in a speech at the NATO foreign ministers’ meeting, outlined the famous “three Ds”: no duplication, no discrimination, and no delinking. She explained that “Any [EU] initiative must avoid preempting Alliance decision-making by de-linking ESDI [a European Security Defense Identity] from NATO, avoid duplicating existing efforts, and avoid discriminating against non-EU members.”66

For the last two decades, this has been the mantra from the United States, often cut and pasted again and again by State Department officers and placed into official statements and into the talking points of U.S. officials expressing concern about EU initiatives duplicating NATO.67 This approach was on full display in May 2019 when Andrea Thompson, undersecretary of state for arms control and international security affairs, and Ellen Lord, undersecretary of defense for acquisition and sustainment, sent a joint letter to EU High Representative Federica Mogherini objecting to what amounts to extremely limited EU defense initiatives.68 Additionally, America’s closest allies within NATO, such as the United Kingdom, Poland, and other Eastern European states, adopted the American perspective and used their position as EU members to block or slow EU integration efforts.69

The United States has therefore been a force for the status quo on European defense as well as on the European Union becoming a larger, more geopolitically minded player. Instead of trying to encourage EU expansion into foreign and defense areas, the United States has often worked diplomatically to put the brake on European integration efforts.

As a result of these efforts, American opposition to EU defense initiatives is contradictory. Even though America complains about the shambolic state of European defense, the United States intervenes whenever there are ambitious EU initiatives to address the defense sector. Former head of the European Union's Common Security and Defense Policy, Javier Solana, writes, “Paradoxically, while his [Trump’s] administration demands that we Europeans take charge of our security, it consistently strives to undermine every joint defense project that we pursue. Such prejudice and shortsightedness with respect to European security cooperation is not new.”70

Furthermore, while NATO is the world’s greatest military alliance and provides an essential trans-Atlantic forum, it still has an operational military purpose: to ensure its members can fight together. It is a multinational combatant command focused on the military missions the alliance deems most necessary, such as the defense
of Europe. There is a tendency on the American side to have NATO continuously expand into other nondefense or quasi-defense areas that distract from its core mission and that are better handled by the European Union. Yet the United States often crams more into NATO, because the alliance is America’s forum to engage Europe. But NATO is not Europe; it is a trans-Atlantic military alliance. NATO is essential and must be preserved and strengthened, as it focuses on its core task of deterring conflict. But by focusing so much attention on NATO, the United States has over-militarized the trans-Atlantic relationship to the detriment of critical diplomatic, political, economic, and other challenges.

**Missing Europe’s integration transformation**

The European Union has massively transformed Europe. Over the last 70 years, the process of European integration has welded together a continent rife with ethnic division, state conflict, and without considerable democratic tradition into a liberal democratic political and economic union. It has turned a continent constantly at war into a zone of peace and stability. It is a remarkable human achievement, one that America helped forge.

European integration did not happen by accident. The United States pushed, cajoled, and encouraged European integration, often over the strong initial objections of European states. In 1948, as relations with the Soviet Union began to collapse and as communism spread, the United States created the Marshall Plan, which added fuel to European integration by requiring European states to work together. Paul Hoffman, who led the Truman administration’s Economic Cooperation Agency, which implemented the Marshall Plan, gave a speech in Paris in October 1949, saying that the “steady improvement in the conditions of life [requires] nothing less than an integration of the West European economy.”

In his book *The Marshall Plan: Dawn of the Cold War*, Benn Steil notes that the push for integration, lowering internal economic barriers, and not seeking massive reparations from a defeated Germany brought significant protestations from French and British officials. Dutch politician Ernst van der Beugel defended American cajoling, stating that “it was again American and not European initiative which pushed Western Europe further on the road to greater cooperation and integration.” In 1953, Jean Monnet, one of the founding fathers of the European integration project, noted that America’s support for Europe’s integration was “the first time in history that a great power, instead of basing its policy on ruling by dividing, has consistently and resolutely backed the creation of a large Community uniting peoples previously apart.”

Konrad Adenauer, the first chancellor of the Federal Republic of Germany—that is, West Germany—privately told President Harry S. Truman’s secretary of state, Dean Acheson, that “Americans were the best Europeans.”
American support for European integration prompted France in 1950, through the work of Jean Monnet and French Foreign Minister Robert Schuman, to develop the Schuman Plan, which proposed joint control of coal and steel production and removed the materials critical to war-making from national control. The European Coal and Steel Community was established in 1951, forming the basis for the European Economic Community in 1958, which eventually became the European Union. European integration has tackled different policy challenges: the reconstruction of Europe; the reconstruction and rehabilitation of Germany; expanding continental trade and lowering internal market tariffs; addressing currency speculation; and enabling freedom of movement of people and goods and services. This process of integration—of economies, societies, and politics—has happened at different speeds and continues to this day.

EU expansion has served to unite most of the continent under one political and economic system. Through the process of integration, a unified Europe has begun to emerge. Europe has a capital (Brussels), increasingly a common language (English), a developing legal system (the European Court of Justice), a common currency (the euro), popularly elected representatives (the European Parliament), a government (the European Commission), a foreign minister or secretary of state, (the European high representative), and a foreign diplomatic service with missions abroad (the European External Action Service). Europe has most of the trappings of a nascent state and as such is beginning to act like one.

Economically, the European Union has created a single economic space, which has broken down barriers not just to trade but also to the movement of people. The Berlin Wall came down 30 years ago, and since then, a new generation has grown up in a Europe united and largely without borders. They have been able to live, work, and study anywhere in Europe. European cities are now often multinational. Transportation sectors have become integrated, creating a plethora of inexpensive flights throughout the continent. By turning the continent into a single economic space, the European Union has begun to forge a common identity. European youth tend to be the most pro-EU population segment in polls and tend to identify as European.74 The formation of “Europe” and a “European identity” can certainly be overstated. But too often, the degree of change and transformation has been understated.

Too big to fail
The integration process has also, in effect, made the European Union “too big to fail.” The level of economic, social, cultural, and political integration is so substantial that the disintegration of the European Union would have devastating consequences for
Europe and the globe. Nevertheless, despite the catastrophe that could unfold, the European Union can still certainly fail. The economic shock of the Great Recession, as well as the dramatic change brought about by integration, has led to a populist blowback against Brussels and the European Union, which now serves as a convenient scapegoat for nationalist politicians. While the European Union’s impact is significant and influential enough to foster a populist backlash, it still lacks the strength and the tools that a normal state possesses to address the social and economic issues that give rise to populist leaders and movements.

The European Union is stuck in an institutional purgatory. It is not yet a state, but it is more than an international organization. Internal friction over roles and responsibilities between the European Union’s federal institutions—the European Commission and the European Parliament—and its intergovernmental institutions made up of member states—the European Council and Council of European Union—is not that dissimilar to the constitutional debates within the United States over the role of the federal government vis-a-vis America’s states. The process of integrating European states into a collective union has therefore been uneven and often the result of hard-forged compromises that form awkwardly structured institutions and procedures. Europe’s nation-states have ceded power and authority to a supranational body in a number of areas, such as trade, market regulations, monetary policy, and freedom of movement. Yet Europe’s nation-states retain control over critical areas such as fiscal policy as well as foreign and defense policy. Integrating in some areas but not in others has exposed vulnerabilities within the European Union and inhibited the ability of it to play a more prominent global role. This has put the European Union at a crossroads.

Politically, European integration has also created an opening for right-wing nationalists or populists to decry the loss of national control and to use the European Union as a scapegoat ...

Economically, the European Union has a monetary policy with the euro currency and the ECB but not a fiscal policy, as the European Commission lacks a significant budget or control over taxation; that remains the purview of member states. The common currency has helped accelerate integration but also represents Europe’s greatest structural weakness. The euro was not accompanied by an integration of fiscal policy or fiscal transfers to address the divergence among EU member states’ economies. While Americans tend to see Europe through a domestic lens as being a bastion of progressive economic policy, the European Union has in fact been a force for economic liberalization, breaking down market barriers, removing economic
impediments to trade, and forging a common market. Through its common currency, the European Union has been a force for austerity and deflationary economics, locking its economies in a budgetary pact that prevents states from fiscally stimulating their economies during economic downturns.

The governance of the euro has largely reflected the interests of the largest European economic power, Germany, which adheres to a highly conservative economic approach. The euro has in effect served to depreciate Germany’s currency and boost its exports. If Germany was still using the deutsche mark, its currency would be valued much higher than with the euro, making German exports much more expensive.76 Germany’s export-led growth is possible because of the euro. In other words, northern Europe has benefited from gaining a large market—Europe—for its goods, all the while enjoying a currency that is lower in value than it would be if these countries maintained national currencies, making their exports much cheaper and more competitive.

Meanwhile, Southern European countries are struggling with having an inflated currency relative to their economic situation, hurting their ability to export.77 Additionally, the 19 EU member states that use the euro have lost the ability to stimulate their economies through expansionary fiscal policy. The European Union’s Stability and Growth Pact obligates states to limit deficit spending and not run a deficit more than 3 percent of GDP.78 While the same is true for states in the United States, the U.S. government usually steps in to provide fiscal stimulus in times of recession. Yet the European Union is not empowered nor able to do that. As a result, member states undergoing an economic recession are unable to depreciate their currencies and unable to boost growth through fiscal policy. The euro and the European Union have therefore created a deflationary trap for many of its members.79 As Hans Kundnani explains in his book *The Paradox of German Power*, “Germany’s rhetoric focuses on stability … [but] when Germany talks about stability it means price stability and nothing else. In fact, in attempting to export its ‘stability culture,’ Germany has in a broader sense created instability.”80 There have therefore been stark divergences in economic performance between Europe’s north and south. This has plunged many Southern European economies into a deep recession, while depriving them the means, namely economic stimulus or currency depreciation, to escape.

This has prompted many economists to describe the euro as a huge mistake that has hurt Europe’s economic growth, helped give rise to populist leaders, and continues to pose a real threat to its economic future.81 While this view misses the significant political and cultural benefits in having a common currency, there is a real need for
the European Union and members in the eurozone to address the structural weaknesses and encourage growth.

The European Union is therefore quite vulnerable should another economic crisis hit. The economic situation in Italy, the third-largest economy in the eurozone, remains sclerotic, with Italian debt levels now exceeding 130 percent of GDP—the highest since the 1940s. Meanwhile, Italy’s political instability raises fears of another Greek-style debt crisis, but this time with an economy 10 times the size. Another economic downturn could therefore pose a significant threat to the stability of the euro and the European Union—and, by extension, the global economy. Currently, the spread in bond rates on government debt vary considerably across the eurozone, with negative interest rates on German debt—meaning the creditor actually has to pay Germany to buy its debt—while in Italy, bond rates are rising. This divergence could lead to contagion and potentially a bank run in a crisis, with money fleeing risky Italian banks for safer European banks, as took place in Greece. Yet the European Union possesses essentially the same limited tools to combat a crisis as it did after the last crisis. As Kundnani explains, Germany’s “ongoing reticence about the extent to which it will accept mutualization of European debt … has created a climate of uncertainty. Thus one might almost speak of a German ‘instability culture’.”

Politically, European integration has also created an opening for right-wing nationalists or populists to decry the loss of national control and to use the European Union as a scapegoat for failing to restrict migration, undermining national culture, and creating a massive bureaucracy in Brussels. In Europe, politicians lambasting Brussels is now as ubiquitous as American politicians castigating Washington.

Nevertheless, the May 2019 European Parliament elections have shown that Europe’s political center of gravity is shifting from national capitals to Brussels and the European Union. The EU parliamentary elections, the lone EU institution with direct voter participation, saw turnout rise for the first time ever, surpassing 50 percent. The boost was driven by a highly charged debate about the European Union’s future, pitting far-right nationalists looking to devolve power against unionists looking to strengthen it. In the end, a robust showing from pro-EU parties, particularly the Greens, staved off a feared far-right surge. As The Washington Post columnist Anne Applebaum observed following the elections, “the continent is becoming a single political space.”

Ironically, Brexit seems to have strengthened support for the European Union. Through the chaotic Brexit process, it has become readily apparent how intercon-
nected the United Kingdom is to Europe and how disentangling from it has the potential for massive economic, political, and social disruption. In other words, the costs of disintegration of the European Union are now too high to contemplate for other European states. The aftermath of Brexit has also showed the political strength of the European Union. The Brexit vote brought fears of a great unraveling and a sense that the European Union was facing imminent demise, as more countries could seek to emulate the United Kingdom and leave the European Union. Yet the doom and gloom was wrong. Emmanuel Macron’s campaign for the French presidency in 2017 ran on a pro-EU message and populist leaders, such as Matteo Salvini in Italy, have downplayed the notion that they would move to leave the European Union once elected. Additionally, the unity that the European Union showed in the Brexit negotiations with the United Kingdom, with the European Union acting as a cohesive bloc, meant that the United Kingdom capitulated throughout the negotiating process. EU leaders were committed to driving a hard bargain in part to make clear that leaving the European Union has costs. Whereas in 2016, there were at least 15 political parties across Europe campaigning for a referendum to leave the European Union, today, as Susi Dennison of the European Council on Foreign Relations points out, “that message is practically nonexistent.” Instead, she says, “in an ironic twist, nationalist parties are joining hands across the EU … demanding a ‘Common-Sense Europe’: not the end of the European Union but a changed European Union.”

The European Union has thus shown its resilience. Despite a massive economic recession, threats to the common currency, a migrant crisis, democratic backsliding, and the impending departure of an important member, the European Union has forged on. It has shown its strength and its importance, and those predicting the European Union’s imminent collapse have been proven wrong. Yet the past decade has taken a toll on the European Union. Political forces seeking to weaken it have grown, and the European Union’s structural weaknesses have not been adequately addressed in the decades since the economic crisis. Additionally, far-right populists, now more of a political force, maybe able to block or stymie actions to address the crisis, hoping to exploit the crisis to attack the European Union and improve their political position. There are therefore still clear reasons for the United States to fret about the European Union’s stability.

**Missing foreign and defense policy**

The simple survival of the European Union is not America’s only goal. The question for the United States is whether the European Union can continue to forge on with integration and become a more prominent global actor.
Europe is tremendously powerful when it operates as one bloc, as demonstrated during the Brexit negotiations. Yet foreign and defense policy remains largely the domain of the member states, hindering the development of a common foreign and security policy. This area remains among the least-integrated aspects of the European Union and represents a final frontier for European integration.

The European Union has taken important steps to become a more cohesive actor on the global stage. In 2007, it ratified the Lisbon Treaty, which created the position of European high representative—equivalent to the role of secretary of state or foreign minister—as well as a diplomatic foreign service, the European External Action Service, designed to represent EU interests abroad. These actions have made the European Union a more cohesive actor, enabling it to play a bigger role on the world’s stage. EU High Representative Mogherini played an important role in the Iran negotiations and negotiations over the Paris climate talks, and EU sanctions against Russia had a significant impact.

While Europe has failed to fully fill the global leadership void left by the Trump administration, it has worked to bolster the international order in America’s absence. The European Union has sought to keep the Iran deal alive over Washington’s objections. It has pushed forward on climate change, advancing implementation of the Paris climate agreement. It has picked up the remnants of the Trans-Pacific Partnership (TPP), which was rejected by the Republican-controlled Congress at the end of the Obama administration, by striking trade deals with Canada, Mexico, and Japan. It has led the way in addressing the harm caused by social media companies, making Brussels the epicenter for tech regulation.

However, the European Union’s role in foreign policy remains quite limited and complicated by member states. Unlike in trade policy where the European Union makes decisions through qualified majority vote, foreign and security policy require consensus.

The expansion of the European Union to incorporate former Warsaw Pact members has brought EU membership up to 28 members. Expansion has given the European Union a continental scale—more than 500 million inhabitants, the third-largest population in the world after China and India. The European Union has the second-largest economy in the world in nominal terms. Yet this expansion to 28 member nations and 24 official languages, although English has effectively become Europe’s common language, has created difficulties for the European Union in moving forward with a unified agenda and approach. It is much more difficult to herd 28 members compared with the 12 members of the European Economic Community of the 1980s. This creates a structural impediment to the European Union acting
forcefully in foreign affairs, as a single member can block action. In response, the European Commission has recently proposed an expansion of qualified majority voting to foreign policy, which would enable a vote to pass with 55 percent of the member states and 65 percent of the population. Nevertheless, the current need for unanimity among member states creates a real impediment to the European Union acting as one in global affairs.100

Meanwhile, the European Union has also made very little progress integrating defense capabilities.101 Even with Europe’s current low military spending, it has the potential to be a military power. Collectively, European forces can, on paper, bring to bear conventional combat power comparable to Russia’s. However, the disposition and disorganization of its forces—spread across 28 countries with duplicating or mismatched capabilities—mean Europe’s collective military strength is less than the sum of its parts. Europe’s defense industrial base remains largely segmented along national lines and has not witnessed the level of integration seen in other economic sectors. The integration of European defense capabilities through the European Union has been a major redline for the United States, as noted earlier, as it fears the European Union duplicating and supplanting NATO. The European Union's efforts throughout the 2000s to create a European Rapid Operational Force never got off the ground, and efforts to rationalize and coordinate defense research and development, as well as procurement, have remained extremely limited. Nevertheless, the European Union has emerged as a defense actor, all be it in a limited manner. It has deployed peacekeeping forces to the Balkans and to the Central African Republic and Mali and contributed naval assets through Operation Atalanta to the counterpiracy campaign off the coast of Somalia.102

Those who express fears that integrating defense would make it impossible for the European Union to deploy forces abroad rightly note that unanimity of decision-making is a real obstacle. But they also overlook that deployments on the European Union level spread the risk and reduce the potential ownership and the political cost for national politicians making deployment decisions. Voting to approve an EU deployment likely has a lower threshold for national governments than approving the deployment of member states’ own forces. Broadening the costs and risks could in fact reduce Europe’s reticence to act.

The EU paradox
The European Union remains a paradox. It is stronger and more legitimate than its critics give it credit for, yet it remains a young and convoluted political system, with its integration uneven. Therefore, it remains at risk of unraveling, like any nascent
governing system. Its future direction is thus highly uncertain. Does the European Union move toward operating more as a state? Does it remain stuck in a state of institutional purgatory? Or does the European Union regress, ceding authority back to the nation-states or unravel completely?

The rise of populist politicians and parties portends an increasingly divisive and partisan political environment within Europe, more akin to the hyperpartisanship in the United States. The European Union was largely a nonpartisan topic in most European states with the center-left and center-right largely committed to European integration. Going forward, future integration efforts will be contested and challenged by empowered populists. Additionally, there is now a conservative view, embodied by Angela Merkel’s Germany, that is content with Europe’s status quo. As The Guardian columnist Timothy Garton Ash identified, “There is now a realistic, even conservative (with a small c) argument for maintaining what has already been built – which, of course, necessarily also means reforming it. If we merely preserved for the next 30 years today’s EU, at its current levels of freedom, prosperity, security and cooperation, that would already be an astonishing achievement.”

Nevertheless, the logic of integration, and European federalism, remains. Brussels will continue to push to address the European Union’s weaknesses, gain greater responsibility, and integrate further. The European Union, as the history of European integration has shown, will likely slowly but surely make advances and integrate further. However, time is of the essence; Europe is once again a major geopolitical theater for great power competition, and America’s rivals are seeking to divide it.
Europe’s renewed geopolitical centrality in an era of great power competition

In turning away from Europe in the 2000s, America assumed Europe was fading into geopolitical irrelevance. The president of the Council on Foreign Relations, Richard Haass, wrote in *The Washington Post* in 2011, “Europe, the principal arena of much 20th-century geopolitical competition, will be spared such a role in the new century. ... In the coming decades, Europe’s influence on affairs beyond its borders will be sharply limited, and it is in other regions, not Europe, that the 21st century will be most clearly forged and defined.” 106 Professor Walter Russell Mead concluded recently that “the most consequential historical shift of the last 100 years continues: the decline of Europe as a force in world affairs.” 107 And foreign affairs commentator Fareed Zakaria observed, “We are watching the shriveling of a group of nations that have defined and dominated the international stage since the 17th century. Brexit will only accelerate this sad slide.” 108 Europe’s departure from the geopolitical stage is indeed a historical aberration. But the view, articulated by Haass, that the 21st century would be “defined” elsewhere may be mistaken. Europe, once again, is geopolitically pivotal. Whether or not the continent steps back out onto the world’s stage could define the current geopolitical era.

Europe is a potential power. As the director of the European Council on Foreign Relations, Mark Leonard, and former Swedish prime minister, Carl Bildt, assess, “Collectively, the EU’s member states have: the biggest single market in the world; higher defence spending than any power but the US; the world’s largest diplomatic corps; and the highest levels of development spending.” Europe is also technologically advanced; has a wealthy and well-educated population; and lacks the socio-economic inequality infecting the United States and many autocratic countries. It has well-developed and extensive relationships with countries all over the globe—in Africa, Latin America, and Asia. It has the ability to drive global policy and set international norms, such as it has on climate and technology. But, as Leonard and Bildt conclude, “unless Europeans can leverage their collective potential – through the EU or other mechanisms – these impressive facts will mean little.” 109
It is precisely because Europe has such tremendous latent economic, political, and even military power potential that its future course and direction will be crucial to determining whether the 21st century is a democratic century. The European Union represents a model for the success of democracy, social market economies, and open societies. This is akin to how the power of America’s image—as a beacon of freedom and democracy—has served at points throughout history as motivation to those seeking freedom. The European Union also has been an inspirational model. The allure of closer relations with the European Union was enough to inspire people in Kyiv to take to Maidan Square. European Union membership remains a tremendous carrot for states on its periphery and perspective members to stay on the democratic path. Additionally, the example of the European Union shows how war-torn societies of different nationalities can overcome their differences to live, work, and govern in peace and prosperity. The European Union also demonstrates what can be accomplished when states work together, enabling it to be a powerful force for regional and international cooperation. Furthermore, the European Union does not just support multilateral approaches to address global problems, but it also serves as a real-world example of a multilateral approach to address a global problem—what to do with a war-ravaged continent whose nation-states can’t stop fighting one another. Therefore, the European Union is extremely deft in engaging in international processes, possessing the tact and patience that America sometimes lacks. Zakaria further explains that in an era of geopolitical competition, Europe “could play a crucial role in helping to preserve the rules, norms and values that have been built up since 1945. But Europe would need to harness its power and act with purpose.”

A Europe that acts as one could be a strong voice in international affairs, not just as a key ally of the United States but as a crucial bulwark against China and Russia. As a result, China and Russia are working to keep Europe down—divided and weakened—and to build ties with select European states to block and stymie Europe from acting as one. Europe is once again geopolitically contested and is now a key theater in this new geopolitical era.

The rise of China and the resurgence of Russia, as well as the emboldening of strongman autocrats around the world, have created not just a renewed geopolitical challenge to the United States but also an ideological challenge to liberal democracy. Should the United States decide to mobilize to respond to this geopolitical and ideological challenge after the Trump administration, it will need to turn to its democratic allies in both Europe and Asia and seek to rebuild and solidify its relationships and alliances. In a 2018 Center for American Progress report, the authors identified the need for the United States to pursue a “democracy rebalance” to focus
on building and cementing ties with America’s democratic allies. The logic is that the stronger America’s democratic alliances are, the stronger the United States will be. To ensure that the 21st century continues to be a democratic age, America will not simply need to pursue a foreign policy that aligns with its democratic values; it will also need partners. And Europe will be the most critical partner. A strong, united, democratic Europe assertively engaging the world would be a huge boon to the United States and huge blow to its autocratic adversaries. Put simply, America needs Europe to rise and its adversaries to become weaker.

China and Russia understand that and are engaging to deliberately weaken and divide Europe. Both Russia and China prefer to deal with European countries on a national level, where they have more leeway to cut political and economic deals. Russia and China also recognize that an increasingly integrated and united European Union would represent a strong pillar in the liberal global order. As Leonard and Bildt, explain, “Great power competition is ... increasingly splitting the EU itself. Russia, China, and the US routinely exploit splits between EU member states and have become adept at watering down or blocking EU decisions.”

Russia

For the Kremlin, the European Union poses a distinct challenge. The success and appeal of the European Union is a potential threat to the Kremlin and the survival of the Vladimir Putin regime. The decision over whether to enter an economic association agreement with the European Union instigated the Maidan revolution in Ukraine, as then-Ukrainian President Viktor Yanukovych’s decision to align with Russia’s Eurasian Economic Union led to thousands taking to the streets and, ultimately, the collapse of the Yanukovych government. For the Kremlin, if the appeal of the European Union can spawn revolution in Kyiv, then why not in Moscow?

Prior to 2014, Europe did not have a unified approach toward Russia. Generally, Eastern European nations had a highly antagonistic relationship with the Kremlin and wanted policies to contain and confront Russia, while most Western European nations were either ambivalent or sought to engage with the Kremlin. Russia took advantage of this internal division by developing its economic ties with countries such as Italy and Germany. Russia exploited Europe’s openness to cooperation and the its tendency to see foreign relations through an economic lens. Far from reforming and liberalizing Russia, as the Center for Strategic and International Studies’ Kremlin Playbook documents, economic engagement enabled the Kremlin to utilize its businessmen
and commercial enterprises as tools of the state to gain access and influence. For instance, Russia pursued gas pipeline deals such as the Nord Stream 2 with Germany, which would allow Russia to transport natural gas direct to Western Europe. This would enable Russia to bypass its immediate EU neighbors, giving it leverage to cut off gas supplies to these dependent countries. Russia also cut energy deals with Italy and sought to build close commercial ties. Russian oligarchs bought up real estate in London and set up lobby groups to push for warm relations with Moscow. However, after Russia’s invasion of Ukraine and the downing of Malaysia Airlines Flight 17, Europe awoke to the threat and united in enacting sanctions. Despite fears in Washington that the European Union would not renew sanctions, which have to be approved every six months, the sanctions remain in place.

Russia, in response, has ramped up its efforts to sow discord in European politics. The Kremlin provided financing to support far-right parties, such as Marie Le Pen’s National Front, now the National Rally. It also hacked the Macron campaign and released emails and documents just before the election. In addition, the Kremlin hacked the German parliament, the Bundestag, and aggressively spreads disinformation, conspiracy theories, and propaganda that undermine the European Union and the trans-Atlantic alliance.

China

While Russian influence and interference efforts have at times been quite blunt, China’s attempts have been more subtle yet are just as transparent. Beijing, like Moscow, has sought to divide the European Union.

Through its Belt and Road Initiative, China is seeking to heavily invest and buy up critical European infrastructure, giving it potentially significant leverage over certain EU member states. The Chinese have created a dialogue with smaller central and Eastern European nations, including 11 EU members, such as Hungary, Romania, and Bulgaria, as well as non-EU Balkan states, such as Serbia. China deliberately left out major European nations, such as Germany and France. The purpose is straightforward: build political and economic ties with some of the smaller EU members with the goal of using these countries as Trojan horses within the European Union to block efforts that China opposes. In particular, China has sought to take advantage of EU members that are struggling economically and are desperate for investment. These efforts already started paying off in 2016, when Hungary and Greece—both eager recipients of Chinese investment—watered down EU efforts to condemn Chinese
actions in the South China Sea. Moreover, as the Center for a New American Security’s Andrea Kendall-Taylor and Rachel Rizzo noted, Beijing has been looking to Europe for support during the Hong Kong protests: “There’s a reason China thinks Europe might be persuaded. ... European leaders remain convinced they can uphold the values and norms they share with Washington while benefitting economically from greater engagement with China. This stance is short-sighted and dangerous—putting liberal democracy in peril.”

A report from the Global Public Policy Institute and Mercator Institute for China Studies found that “Beijing realized early on that dividing the US and the EU would be crucial to isolating the US, countering Western influence more broadly, and expanding its own global reach. China senses that a window of opportunity to pursue its goals has opened, with the Trump administration seen as withdrawing from the role as guardian of the liberal international order that the US has long played.” In addition to investing in infrastructure in Europe’s fragile and investment-desperate economies on its periphery, such as Greece, China is also focused on Brussels. “In Europe,” the report concludes, Chinese influence “efforts particularly target Brussels as Beijing aims to implant its official views where EU decision-making takes place.”

China and Russia are both focused on Brussels, but the United States is not. Chinese and Russian efforts to divide the European Union should send a signal to Washington that it should reverse course and pursue a strong, cohesive, and empowered European Union. Furthermore, by focusing predominantly on the military aspect of the alliance, NATO, the United States has lost sight that the key arena for geopolitical competition may not be a battlefield but rather the political or economic areas.
Why the European Union’s unraveling is a geopolitical disaster for the United States

The Guardian’s Timothy Garton Ash observed, “Each time, the new post-war European order lasts a while – sometimes shorter, sometimes longer – but gradually frays at the edges, with tectonic tensions building up under the surface, until it finally breaks apart in a new time of troubles. No European settlement, order, empire, commonwealth, res publica, Reich, concert, entente, axis, alliance, coalition or union lasts forever.” Historically, a divided Europe has often quickly led to a Europe in conflict. More immediately, however, the collapse or unraveling of the European Union would have devastating economic consequences for the United States and the world. The European Union is the second-largest economy and America’s largest trading partner. The collapse of the euro currency would create a systemic economic shock, roiling the global economy and financial markets. The unraveling of the European Union would also mean the collapse of the common market, which would cause an economic calamity as European governments seek to reerect borders, tariffs, and other barriers to trade and commerce within the European Union. A Europe without a union would also make it open season for external actors to cut economic and political agreements with individual European states. This could potentially deprive the United States of reliable allies, undercut NATO, and create a dizzying array of alliances similar to Europe prior to World War I. The European Union’s collapse would return Europe back to its normal historic state: a continent divided along national, ethnic, and religious lines, where escalating tensions and divisions create an unsettled balance of power, creating stark security dilemmas for each nation-state. The European Union’s unraveling would therefore make Europe a poorer, less secure, more tense region that would once again consume American foreign policy.

Reviving the trans-Atlantic alliance requires a new American approach

America faces a conundrum: It needs to revive the trans-Atlantic alliance and ensure European unity in order to address the rising geopolitical challenge from China and Russia. But the question of how to revive the alliance is less certain. America needs Europe to step up. But this is no longer about Europe “pulling its weight” or “reducing the burden” on America globally. The need is more urgent. America now needs Europe—not just to share America’s global burden, but also to help it counter autocratic efforts to set the rules of the international road. America, as former Deputy Secretary of State William Burns explains in his memoir, is no longer as powerful as it once was. The power and influence of other states have grown, and therefore, America’s international clout and influence have been in a state of relative decline. America therefore needs allies now more than at any time since World War II.
But getting Europe to finally realize its potential power is a conundrum. An American strategy aimed at convincing European states to act, as noted previously, is destined to disappoint. Furthermore, a new American administration after President Trump will likely find a Europe eager to partner and repair relations but conversely feeling little incentive to do anything. After all, if America is back, why does Europe need to assert itself? If European states, following Trump’s election were not going to step into the leadership void or spend more on defense or assert their strategic autonomy from the United States, they certainly are not going to do so after Trump leaves the stage. The incentives for European states to act will be gone.

Considering the fact that U.S. foreign policy efforts to undermine the international order are also harmful to American security, Europe’s ability to blunt harmful approaches pursued by the American right is, in fact, beneficial for the United States and the world.

Yet the European Union will continue to seek a greater international role. As noted, the European Union remains stuck in institutional purgatory—often unable to act despite a willingness to do so. Unlike Berlin, Brussels wants to assert itself internationally. There is now a vibrant discussion within the European Union on the need for “strategic autonomy” but, thus far, such a debate has remained largely rhetorical with little tangible progress. This is due in no small measure to the United States’ continued opposition to the European Union adopting a more prominent role in foreign and security policy. As Benjamin Haddad and Alina Polyakova explain in a Foreign Affairs article, the United States should “support and encourage European autonomy in the right direction.”

Many on the American right view the European Union as serving as a potential impediment to American global objectives, and some even see it as a potential adversary—including those in the current administration. There is no doubt that a united and more assertive European voice in global affairs could clash with American objectives and efforts. The United States and the European Union will not always see eye to eye. But these cases often occur when the American right pursues an extremely ill-advised foreign policy course, such as pulling out of the Iran nuclear agreement, invading Iraq, or withdrawing or blocking international treaties and agreements, including on climate change or arms control. In short, when America pursues counterproductive policies that serve to undermine the liberal international order, erode international norms, destabilize regions, and endanger the planet, Europe will likely strongly oppose those efforts. Considering the fact that U.S. foreign policy efforts to undermine the international order are also harmful
to American security, Europe’s ability to blunt harmful approaches pursued by the American right is, in fact, beneficial for the United States and the world.

America’s best bet for reviving Europe as a pivotal geopolitical ally is embracing the European Union. It is time for America to pivot away from a state-centric approach and toward engaging the European Union. America should seek to use its influence and clout to free the European Union from its institutional purgatory, especially on foreign and security policy. America should once again become the major champion for European integration and should push for the European Union to assert itself globally. The course and direction sought by the European Union is the very course the United States wants for Europe as well: a Europe speaking and acting as one. As Hans Kundnani assessed, “For the United States, European integration [has] always been a means to an end—or rather to several ends.” Embracing the European Union is a practical and pragmatic step to ensure European unity and strengthen America’s geopolitical position.
A rising power strategy for Europe: The need for an EU-centric approach

“We do not regard a strong and united Europe as a rival but as a partner. To aid its progress has been the basic object of our foreign policy for 17 years.”
– President John F. Kennedy, 1962

There are countless strategies bandied about Washington for America’s approach toward the Middle East, China, India, Southeast Asia, Latin America, Africa, or Russia. But Europe has not gotten similar treatment in the Washington policy community. This is understandable. Close allies bound together through NATO have not felt the need to think strategically about each other.

However, with Europe at a crossroads, the United States needs to end the ambivalence toward the project of European integration. America needs a Europe strategy that identifies what it wants Europe to be—united, free, democratic, and a global player. With that as a goal, the United States should seek to bolster Europe’s integration and democratic cohesion and build a stronger and more integrated partnership with the European Union. Pushing for further integration and to further empower the European Union is not simply driven by the goal of trying to prevent the European Union’s collapse but also by trying to ensure a positive outcome: Europe’s rise. American geopolitical thinkers should view Europe as a rising power.

American strategy toward Europe could have notable impact on Europe’s future course—perhaps more so than any other U.S. regional strategy—because the United States retains substantial influence in Europe. America continues to act as the guarantor of European security and the facilitator for the European integration project, giving the United States unparalleled influence and clout. European leaders and institutions constantly look to America for direction and for approval. Indeed, a report from the European Council on Foreign Relations on European approaches to
developing European strategic autonomy (ESA) found:

The relationship with the US plays a more important role than any other topic in European countries’ debate on strategic autonomy: in 17 EU member states, ESA efforts’ implications for the relationship with the US is one of the leading issues of debate – coming before those such as ESA’s implications for foreign policy and defence capabilities.¹³⁸

In other words, the U.S. relationship is central to European decision-making.

Yet the United States has not used its influence to push for further integration in decades. It is time for that to change. America has been essentially absent from the robust debate within Europe about its strategic direction. Nevertheless, despite America’s lack of involvement, the U.S. presence is constantly felt. While the United States does not have the ability to snap its fingers and move Europe to adopt sweeping reforms, a shift in America’s diplomatic approach to fully supporting Europe’s integration could have a significant, if not transformative, impact.

This section highlights seven areas for action by the United States. This list is by no means exhaustive, as there are many important and creative ideas for how to revive the European Union and the trans-Atlantic relationship.

Pursue a new special relationship with the European Union

Washington has not sought to develop a robust strategic relationship with the European Union. It should do so. The special relationship between the United States and the United Kingdom could serve as a model. But America needs to do something that it has yet to do: propose such a relationship.

Try to make Brussels the center of gravity for European foreign policy

By engaging regularly with the European Union, the president of the European Commission, the European Council, and the EU high representative, as well as other senior officials, the United States will be working to elevate the European Union both in the eyes of the world and within Europe. By first going to the European Union, the United States would by default be putting it at the center of European foreign policy decision-making. Influence within a bureaucratic structure is often less about organizational charts but rather about proximity to power. Strengthening the Brussels-Washington relationship will inevitably make the European Union more central to European foreign policy.
Therefore, instead of treating engagement with Brussels as an afterthought, the United States should have a deliberate strategy to treat Brussels as America’s primary interlocutor in Europe. This does not mean that the United States should ignore the current power realities within Europe and neglect diplomatic engagement with European capitals such as Berlin and Paris. But in its diplomacy, the United States should deliberately seek to include and elevate the European Union’s status.

An approach of first going to the European Union will sometimes be frustrating for Washington. The European Union will likely struggle to respond or engage substantively at times. However, Washington needs to take the long view, just as it is doing in trying to build and strengthen its relationship with India, another rising global power. Similarly, the United States needs to have patience in engaging the European Union. This is a long-term strategy designed to elevate the European Union over time.

To elevate the status of the European Union, a new American administration should take a number of steps to signal the importance of the union:

- **Hold a U.S.-EU summit with the goal of announcing a new special relationship.** A new administration should seek to breathe life into the U.S.-EU summit. The objective of this summit, which should be held early in the first year of a post-Trump administration, would be to lay the foundation for a new relationship and to forge common approaches and actions to address many of the key issues and challenges mentioned below. Proposing the creation of a new special relationship would likely be eagerly accepted by the European Union. However, the purpose of such a proposal is not merely symbolic but is also intended to set the stage for the development of joint U.S.-EU policies on a variety of issues, such as Russia, China, trade, climate change, and international corruption and money laundering.

- **Hold a White House state dinner for the presidents of the European Commission and the European Council.** A new administration should hold a state dinner with the European Commission president, Ursula von der Leyen. Formal White House state dinners are important symbolic events that bestow a level of prestige on the visitor. A new administration should also encourage Congress to invite von der Leyen to speak before a joint session of Congress, as NATO Secretary General Jens Stoltenberg did in April 2019.
• **Make Brussels the president’s first stop in Europe and give an address in the European Parliament.** A new president should go to Brussels on their first trip to Europe. Speaking to the elected representatives of the European Union is the best venue to speak to the people of Europe and outline a new vision for U.S.-EU relations.

**Work to influence the development of the European Union’s global outlook**
As the European Union seeks to take on a global role, the United States should seek to shape and influence the European Union’s approach, just as the British sought to guide the United States during and after World War II. The European Union has established a high representative for foreign affairs and security policy and created a diplomatic service, the External Action Service, which is made up of permanent EU staff as well as diplomatic personnel seconded from its European members. The European Union is now developing a way of doing business and seeing the world. While it can rely on its member states for direction, the United States should also seek to provide input and guidance with the goal of shaping and developing the European Union’s diplomatic outlook and approach.

• **Direct U.S. embassies abroad to prioritize collaboration and engagement with EU delegations.** To do so, U.S. embassies around the world, not just the State Department’s Bureau of European and Eurasian Affairs, should be instructed to prioritize engagement and collaboration with EU diplomatic counterparts. The objective is to develop a shared outlook toward issues and countries. For instance, if the United States is concerned about Chinese actions in the South China Sea, it should be constantly engaging and talking with EU delegations both in the region and in Brussels to ensure the European Union views the situation similarly. Some of this diplomatic engagement is already taking place, but there should be a concerted U.S. diplomatic effort from embassies all around the world to engage and coordinate with EU missions. Laying the groundwork to ensure that there is little daylight between the United States and the European Union, just as the United States has done in its special relationship with the United Kingdom, will help strengthen the trans-Atlantic alliance.

• **Bolster the security cooperation office within the U.S. Embassy to the European Union.** The United States should be engaging not just NATO on strategic and defense issues but the European Union as well. The European Union obviously lacks a significant defense and security culture or know-how. The U.S. military, which has large and expansive security cooperation offices at embassies around the world, should expand its engagement with the European Union and its defense-related offices and agencies, providing guidance on procurement, force structure, and defense planning.
and organization, as well as providing guidance for a military expert policy. While some EU members, like France, excel in these areas, the United States should seek to be engaged and support the development of an EU defense capability.

**Undo the damage of the Trump administration**

In order to rebuild relations with Europe after President Trump leaves office, it is essential that a new American administration immediately reverse a number of critical policy errors made by the Trump administration, namely withdrawing from the Joint Comprehensive Plan of Action (JCPOA) and the Paris climate agreement.

- **Work with Europe when seeking to rejoin the JCPOA with Iran.** The United States, the European Union, and major European powers all negotiated the Iran nuclear agreement, or JCPOA, together. The unilateral withdrawal from the agreement and U.S. threats of sanctions against European companies adhering to the deal have caused a major rift in the trans-Atlantic relationship. The United States should work closely with Europe as it seeks to rejoin the JCPOA and remove sanctions that affect European countries for complying with the JCPOA.

- **Rejoin the Paris climate agreement.** The Trump administration’s withdrawal from the Paris climate agreement made the United States one of the only countries in the world not part of the accord. This step was particularly galling to EU leaders, who have prioritized climate change and are taking bold steps to reduce emissions. It also prompted European Council President Donald Tusk at an EU-China summit to announce that the European Union would be “stepping up [its] cooperation on climate change with China.” The United States should not only rejoin the agreement but also take bold steps to reduce emissions in line with its European allies.

- **Stop the trade war with Europe.** Instead of working to forge stronger trading relationships with Europe, the Trump administration started a trade war, threatening and invoking tariffs, harming both economies, hurting economic growth, and increasing mutual suspicion. A new administration should seek a cooperative relationship and should end the tariffs imposed on the European Union and should stop threatening additional tariffs against the European Union.

- **Reaffirm U.S. support for arms control and international conventions.** During John Bolton’s tenure as national security adviser, the United States conducted an assault on international institutions and conventions, such as by denying visas to employees
of the international criminal court, ripping up arms control agreements, and even withdrawing from an international postal treaty. Reversing these ideologically driven steps is a top priority that will also affirm that the United States stands for international rules.

Use U.S. diplomatic influence to bolster European integration and empower the European Union

The United States should use its significant diplomatic influence with European states to further European integration. U.S. ambivalence or opposition to European integration often serves as an unspoken constraint when discussing efforts to integrate foreign and defense policy. Instead, the United States should make its voice heard in the vibrant debates over Europe’s future.

- **Push for the European Union to adopt quality majority voting (QMV) in foreign and security policy.** As the European Union expanded to include 28 member countries, it moved away from requiring unanimity in the European Council to make a decision and toward “qualified majority voting,” which requires a majority of members representing 65 percent of the population.142 However, foreign and security policy remains one of the few policy areas where the European Council still requires unanimity. In June 2018, France and Germany agreed to explore the use of QMV in foreign and security policy. Jean-Claude Juncker, the former president of the European Commission, argued for QMV in 2018 speech, saying that “it is this compulsive need for unanimity that is keeping us from being able to act credibly on the global stage.”143 The need for QMV was demonstrated vividly this year when Italy blocked a joint statement on Venezuela, and Poland and Hungary blocked the statement at the EU-Arab summit.144 As Leonard Schuette argued for the Centre for European Reform:

> In response to enlargement, the EU has therefore continuously extended the application of majority voting to other policy fields, so that it now applies to over 90 per cent of EU legislation. … QMV would make the EU a more effective foreign policy actor. It would put the ‘common’ back in CFSP [Common Foreign and Security Policy] by combatting divide-and-rule tactics and encouraging unity.145

The United States should assertively back the expansion of QMV into foreign affairs and should press EU members to support this change. As the European Commission explained, the issue of QMV will determine “whether the European Union wants to be a pillar of the emerging multipolar global order or whether it will resign itself to being a pawn.”146
Press the European Union to bolster its economic resilience, create an EU fiscal policy, and boost EU economic growth. The stability of the euro remains the gravest threat to the European Union. The economic divergence between northern and southern Europe and the lack of economic growth and high unemployment has put severe strain on the financial sectors in member states. The European Union has embraced the economics of austerity, preventing states—particularly in Southern Europe—from stimulating their economies. The United States should support the eurozone proposals put forth by French President Macron to bolster the European Union’s resilience in the event of an economic crisis. Macron, in a speech in September 2017, proposed a fiscal union that would have a eurozone budget and an EU finance minister. He also called for a banking union to prevent bank runs and to bolster the European Union’s ability to support states experiencing an economic turmoil. German Chancellor Merkel’s unwillingness to support these proposals and opposition from Northern European states has meant Macron’s plans went nowhere. The United States, however, should aggressively push the European Union to take steps to bolster its economic resilience.

The United States, during the Obama administration, attempted to press Germany to take a less hard-line approach toward Greece during its economic crisis and the negotiations over a debt bailout. However, the United States was rebuffed by Chancellor Merkel, and after the 2014 Ukraine crisis, the United States relegated economic diplomacy to a secondary priority. The Trump administration is not wrong that Germany has benefited immensely from essentially having an undervalued currency for its exports but has aggressively called out Germany in ways that were often inaccurate, tactless, and easy for Berlin to wave away. But instead of engaging in escalating trade disputes with the European Union, the United States should advocate that the European Union take steps to stimulate growth in its economic sluggish regions and to bolster the euro.

Press Eastern European countries to support EU defense and foreign policy integration. When it comes to defense, Eastern European nations, many of them encouraged by the United States, have served to guard against EU expansion into defense and “duplication” with NATO. Viewing NATO as key to their security because of the role of the United States in deterring Russian aggression, Eastern European states are very wary about EU efforts that might sideline the United States. The United States can both reassure these states through its engagement with the European Union in the development of an EU defense capability and pressure them to back EU defense efforts.
• **Develop a joint strategy to counter democratic backsliding in the European Union and NATO.** A major institutional flaw of the European Union and NATO has emerged with the rise of populist leaders who have worked to roll back democracy. Hungary looks more like an autocracy than a democracy now.\(^{151}\) Poland’s government has sought to replicate Hungary’s trajectory, and anti-corruption efforts in Romania have been rolled back.\(^{152}\) In NATO, Turkey remains a member despite its autocratic turn and anti-alliance actions, such as purchasing the Russian S-400 air and missile defense system.\(^{153}\) The European Union has been exceptionally weak in policing this unraveling of democracy. The Obama administration was outspoken in expressing concern about this trajectory,\(^{154}\) chastising Poland and limiting high-level diplomatic engagement with Hungary. But the Trump administration has actively encouraged this illiberal shift.\(^{155}\) The United States, European Union, and NATO should seek to take action to deter states from going down this path. This means identifying punitive actions and identifying points of leverage to pressure countries, as well as exploring potential institutional reforms to automatically trigger punitive measures or legal review.

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**Support the formation of a robust EU foreign and defense capability and simultaneously bolster NATO**

After the NATO treaty was signed in 1949, the United States backed European defense integration as a means to rebuild Europe’s armed forces destroyed in the war. In 1952, the French proposed a treaty to establish the European Defense Community and received strong American backing. Secretary of State John Foster Dulles pushed aggressively for the treaty and creation of a European military, saying, “No more will there be national [European] armies to fight each other and to invade each other in a quest for national triumphs. There will only be the common army so interlocked that no single member of the community could in practice commit armed aggression.”\(^{156}\) France, West Germany, Italy, and the Benelux countries then signed the treaty, with the intention of creating a European army. Yet France ultimately failed to ratify the treaty, despite the fact that it was France’s idea.\(^{157}\) In the 1990s, when the idea for defense integration was revived with the establishment of the European Union, the United States, uncertain about Europe’s direction in a post-Cold War world and fearing competition with NATO, largely opposed these efforts. The United States should once again support the creation of a common European defense capability to help rebuild Europe’s armed forces just as it did nearly 70 years ago. America should stop opposing the integration of European defense through the European Union. It poses no threat to NATO, and integrating European defense through the European Union is likely the only way Europe will develop a significant and robust defense capability.
Recent American efforts to encourage European states to spend more and expand their defense capabilities have largely failed and will likely continue to fail. While countries neighboring Russia have increased defense spending, and European overall spending has increased after 2014, the shift has been gradual. The focus on pushing nations to spend 2 percent of GDP on defense is a worthy and necessary goal, but it is simply not a priority for most European domestic populations. A Eurobarometer poll found that 75 percent supported a common EU defense and security policy—10 percent more than the share who supported a common EU foreign policy. Furthermore, even in Poland, a skeptical EU country that has opposed EU defense, the poll found that nearly 80 percent support a common defense and security policy.158

Tellingly, support is higher for a common defense policy than a foreign policy across Europe. The military dimension of foreign affairs is not something that galvanizes European publics anymore—it is seen as a collective, not a national, responsibility. Therefore, integrating European defense is no longer a third rail of European integration for Europeans, but it remains one for the United States.

American concerns over duplication between the European Union and NATO have become unchallenged gospel of American diplomacy toward Europe. Yet these concerns are drastically overblown and ignore the tangible need for an EU defense capability. Perhaps the greatest irony in the debate over EU defense occurs when Pentagon officials warn of the dangers of duplication—this from the largest bureaucracy in the world consisting of numerous overlapping combatant commands and military services. This overlap and duplication exists for a reason within the Pentagon: to prevent gaps in responsibilities. For example, the U.S. Special Operations Command has a global and specialized functional focus and operates in the U.S. Central Command’s regional area of responsibility. There is overlap, so these commands coordinate. Likewise, NATO is not the European Union. Their membership is not the same. Finland, Sweden, Austria, Ireland, Cyprus, and Malta are EU members but not in NATO. The United States, Canada, Turkey, Norway, Iceland, Albania, and Montenegro are NATO members but are not in the European Union. The significant overlap between the European Union and NATO simply requires close coordination. As Europe becomes increasingly integrated into a union and begins to play a larger international role, it makes sense for it to develop its hard power capabilities. The European Union conducts operations abroad, as it has military and police training missions. It has deployed EU ships off the coast of Somalia and has a presence in Bosnia. The United States should encourage these roles and missions.
Furthermore, should the European Union actually develop a robust defense capability, NATO’s core role of coordinating U.S., Canadian, and European forces would not fundamentally change. NATO would simply adapt, as it has consistently done throughout its history. As Seth Johnston explained in his book *How NATO Adapts: Strategy and Organization in the Atlantic Alliance Since 1950*, “Unlike other enduring post-World War II institutions that continue to reflect the international politics of their founding era, NATO stands out both for the boldness of its transformations as well as their frequency over a period of nearly seventy years.”

Furthermore, as the United States supports the development of an EU defense capability, it can and should also work vigorously to bolster NATO. The development of a robust EU defense will take time, likely decades, and will never serve to replace NATO, as the role of the United States will remain vital to European security. NATO plays, and will continue to play, an absolutely critical role in binding together the trans-Atlantic alliance, forging strategic alignment, coordinating the defense of Europe, identifying military capability gaps and deficits, and ensuring the 29 member nations can operate together militarily in an effective manner. Furthermore, the Article 5 commitment that NATO members make is the cornerstone of the most successful alliance in world history. The European Union exists because of NATO. And these two organizations—a military alliance and a union of nation-states—support, not detract, from each other. The United States should take the following steps:

- **Support PESCO and encourage EU defense industrial integration.** The European Union has a proven ability to integrate industrial sectors, something desperately needed in the European defense sector. The lack of coordination and integration of European defense forces makes Europe’s defense industrial sector a disaggregated mess. European militaries taken together currently have more than 35 different types of tanks, nearly 20 types of combat aircraft, and more than 10 types of tanker aircraft. NATO has largely been unsuccessful in integrating European procurement and acquisition of military equipment. Meanwhile, the European Union has successfully integrated many of Europe’s economic sectors, including energy, transportation, telecommunication and trade. However, the defense industrial sector has not been Europeanized in the same way. This harms the interoperability of NATO forces and impinges on the flexibility of the overall force. While NATO expends considerable effort and attention to addressing these issues, coordination will remain a core challenge. Integrating Europe’s defense industry into a common market, following the pattern of EU-wide harmonization in other sectors, would help to significantly rationalize European defense.
The process of harmonizing and integrating the defense industrial sectors across the continent is beginning through the creation of the European Defense Agency and through the European Union’s Permanent Structured Cooperation (PESCO), which aims to deepen defense cooperation and jointly develop certain defense capabilities at the European Union level. The Obama administration was supportive of PESCO, but the Trump administration has now opposed PESCO, to the initial surprise of the European Union. This is self-defeating. America’s concern about PESCO should not be that it is too bold, but rather that it is not nearly bold enough. Given that EU defense capabilities have atrophied so much, it makes sense to rebuild Europe’s defense capabilities in a highly integrated and coordinated manner.

**Don’t let the U.S. defense industry drive U.S. policy.** America’s national interests are not the same as the interests of the major U.S. defense companies. The Trump administration’s opposition to PESCO, as expressed by former Secretary of Defense Mattis, stemmed largely due to fears within the U.S. defense industry of being locked out of the European defense market. These concerns are not groundless, as that is the long-term objective of EU defense efforts: to form a single European defense market for which European defense companies will outfit European forces. However, the United States locks Europe out of the U.S. defense market, as the U.S. military must buy American. The U.S. defense industrial base will by no means go out of business by gradually losing a share of the European market. In fact, in the long term, the United States and Europe could seek to expand defense industrial collaboration with the European Union, such as the United States has done through defense trade treaties with the United Kingdom and Australia.

**If the European Union wants to create a European army, support it creating an army.** The debate over a European army—one that astute European analysts note is almost certainly not going to happen—could in fact be in the interests of the United States. One of the reasons such a force has had no chance of happening is because of reflexive opposition from the United States—and therefore also from its close security allies in Europe, such as Poland. However, with the backing of the United States, such a force may not be as far-fetched as it currently seems and may make NATO even stronger. Many American analysts, unlike during the period after World War II, now see a European army as inimical to U.S. interests, either because they distrust EU intentions and view the EU as anti-American or because they believe a European force would be much less helpful to America, as it would suffer from a collective action problem of getting 28 members to agree. The problem with this pessimistic prediction of a European army is that it differs very little from the present dynamic. European countries currently bring few capabilities to bear, and individual
states question the utility of acting because of their limited capabilities. Even if Europe became even more reticent to act abroad, a European army would be more effective in defending Europe. That would be a significant contribution that could enable the U.S. to shift forces elsewhere.

• **Help the European Union develop a separate command structure and provide guidance to the development of EU defense capabilities.** It makes sense for the European Union to have the ability to coordinate its defense and oversee its missions abroad independent of NATO. This is because they are not the same organization. President Trump could easily decide to not come to the defense of Sweden or Finland were these countries attacked by Russia, because the United States has no treaty obligation to non-NATO members. Yet the European Union has a mutual defense clause to come to the defense of its members. It is therefore appropriate for the European Union to have an overlapping command structure. Moreover, as noted, the European Union undertakes missions abroad, such as naval operations to address piracy and peacekeeping in Africa and the Balkans. A unified command structure will make the European Union more likely to act and more capable when it does so. Instead of opposing the creation of a distinct EU command, the Pentagon should embrace it and seek to help shape its creation. The U.S. military should devote officers to embed within a potential command and should expand its cooperation with PESCO and the European Defense Agency by providing guidance on acquisition processes as well as identifying capabilities that a European Defense Fund should seek to develop.

• **Encourage NATO-EU collaboration.** There has been significant progress in EU-NATO relations over the past decade, as there is a recognition in NATO of the European Union’s growing importance.166 The United States should strongly support this collaboration and work to ensure that, as the European Union moves into the defense space, it is firmly in sync with NATO.

• **Create an Eastern European Investment Initiative to help countries retire old Soviet and Russian systems.** Supporting EU efforts to integrate defense does not mean the United States should not simultaneously push and encourage European states to modernize their defense capabilities. The United States should create a new type of security assistance program that combines the provision of grant funding with loans to help encourage NATO states still operating Soviet and Russian equipment to modernize their forces. The United States helped rebuild allied European militaries after World War II, yet no such effort was made after the end of the Cold War. As a result, eastern NATO members must recapitalize huge stocks of equipment but lack the resources to do so. This program could help these countries rebuild their forces.167
Forge common U.S.-EU approaches to address the challenge posed by rising authoritarianism from states such as Russia and China

The critical geopolitical challenge confronting the United States and Europe stems from rising authoritarianism. Forging common approaches with the European Union toward Russia and China, as well as supporting democracy and human rights globally, should be a top priority for the United States.

Russia
Developing a common U.S.-EU approach to deter and contain Russia should be a top diplomatic priority for the United States. However, doing so may be a challenge. After Russia’s interference in the 2016 U.S. election, there was an opening for the United States to forge a strong, common approach with Europe to counter Russia’s malign influence. Yet considerable time has now passed. The sense of urgency in both the United States and Europe to counter Russia has been largely lost. As a result, the common European approach toward Russia forged after it illegally seized Crimea and after its invasion of eastern Ukraine in 2014 is fraying.

Prior to 2014, Europe was divided toward Russia and lacked a common approach. Europe is now drifting back to a pre-2014 stance toward Moscow. Voices in Germany have grown louder in calling for reengagement with Russia, and even French President Macron has pivoted, now seeking to mend ties causing unease through much of Europe.

Russia has also strengthened economic and political ties with populist leaders in states such as Hungary and Italy. In Germany, hostility toward the Trump administration and the United States has revived political support for warming relations with Russia. The pendulum within the European Union is swinging away from those advocating for a more assertive approach and toward those supporting a warming of relations. While sanctions are still in place, they erode over time, as sanctioned entities restructure and do business under different names. The existing sanctions have therefore lost much of their bite, yet there is little appetite to go further.

This is deeply troubling. Since Russia’s interference in the 2016 election, it has used a chemical weapon on EU soil in an attempt to assassinate Russian defector Sergei Skripal in the United Kingdom; engaged in an elaborate espionage effort in the Netherlands against the Organization for the Prevention of Chemical Weapons; provided online support for political movements that destabilize the European Union; provided financial support through Russian banks for populist campaigns; adopted
an increasingly hostile military posture toward NATO;\textsuperscript{177} and fired on Ukrainian ships and kidnapped Ukrainian sailors.\textsuperscript{178} Furthermore, special counsel Robert Mueller’s investigation has revealed a highly developed and impactful Russian interference campaign in the 2016 election.\textsuperscript{179} Yet the United States has not diplomatically engaged European allies on the findings in the special counsel investigation and the need to take action against Russia’s malign influence.

Establishing a common U.S.-EU approach toward Russia should be a high priority for a new American administration, as it could have significant impact on the Kremlin and would help strengthen the European Union’s internal cohesion. There are a number of steps the United States and the European Union should take together:

1. The United States and the European Union should look to strengthen sanctions against Russia, in particular targeting Russia’s oligarch class.
2. The United States and Europe should continue to bolster NATO’s ability to deter Russia.
3. The United States and the European Union should take aggressive action to combat Russian money laundering.
4. The United States should press European states and the European Union to investigate and expose Russian interference, just as special counsel Robert Mueller’s investigation has done.
5. The United States and the European Union should strengthen transparency laws and adopt reforms to prevent foreign interference in elections.\textsuperscript{180}
6. The United States and the European Union should work together to regulate social media companies, which have become vectors for malign foreign influence campaigns.\textsuperscript{181}

**China**

Perhaps the biggest missed opportunity of the Trump administration when it comes to U.S.-European relations was failing to forge a common trans-Atlantic approach toward China. Instead, the Trump administration engaged in trade disputes with both China and the European Union when it could have confronted China arm-in-arm with the second-largest economy in the world.\textsuperscript{182}

There is now strong bipartisan support in the United States for a more confrontational approach toward China, especially in response to its manipulation of global trade rules. In Europe, there is also a growing sense of concern about Chinese trade
and investment practices. While Europe is not as concerned about China as the United States is, the level of unease is growing. Meanwhile, China is working aggressively to gain influence.

The Trump administration has missed a crucial window to build a unified position, and now, support for strengthening ties with China have grown within Europe. Ongoing Chinese influence efforts are having an impact.\textsuperscript{183} China’s promotion of a 5G network has found several European countries as willing suitors, despite—and perhaps because of—opposition from the Trump administration.\textsuperscript{184}

Forging a common U.S.-EU approach toward China should be a top priority for the United States. This should involve enacting a unified plan for confronting China over its unfair trade practices within the World Trade Organization (WTO). It should also involve sharing information and developing a plan to address Chinese investment in sensitive economic areas. The United States and the European Union should also stand united on China regarding its gross human rights abuses, such as in Xinjiang and in efforts to crack down on protestors in Hong Kong.

\textbf{Bolster democracies}

The United States and the European Union should also work together to help bolster democracy and human rights abroad. As CAP outlined in a previous report, the United States should pursue a democratic values-based foreign policy.\textsuperscript{185} A new American administration should host a “summit of democracies” and should seek to develop a new U.S.-EU partnership to support emerging democracies by working to better coordinate development, economic, and security assistance efforts as well as by creating various economic and political incentives for states to stay on the democratic path. Such an effort could help counter the malign influence of Chinese investment and assistance, which often serves to seed corruption and undermine democratic institutions, particularly in Africa.

Additionally, the United States and the European Union should coordinate positions vis-a-vis human rights violators as well as autocratic states that flout international law. For instance, a joint U.S.-EU response to the brutal murder of the journalist Jamal Khashoggi by Saudi Arabia could have had a significant impact.\textsuperscript{186} U.S. and EU efforts to jointly call out and act against human rights violators could serve as a significant deterrent. The United States and the European Union should explore creating a high-level joint human rights working group that endeavors to call out violators and develops a series of joint U.S.-EU responses, such as targeted sanctions, cutting off arms sales, and suspension of assistance.
Strengthening and building economic ties between the United States and the European Union, the two largest economies in the world, is critical in an era of great power competition. However, developing economic ties with Europe should go beyond the traditional framework of now-familiar trade deals. A renewed economic partnership with the European Union should focus on promoting broad and equitable growth, expanding transparency, and on developing people-to-people ties between the United States and Europe.

The United States and the European Union are already close economic partners. A total of $4 billion in goods and services cross the Atlantic, constituting one-third of global trade and 40 percent of trade in services. In 2016, European firms made up nearly three-fourths of the total foreign investment in United States. The European Union, not China, is America’s biggest trading partner and is the largest market for U.S. exports. As a report from the Center for Transatlantic Relations at Johns Hopkins School of Advanced International Studies highlights, “45 of the 50 U.S. states exported more to Europe than to China in 2015. … The output of U.S. companies operating in Europe of $717 billion in 2015 was roughly double the output of U.S. companies operating throughout all of Asia ($363 billion).”

However, the weight and importance of the U.S. market to Europe is declining as China rises. EU exports to the United States have fallen from 27 percent to 20 percent, and exports to China from the European Union are rapidly increasing. The Trump administration has treated the European Union as if it were an economic adversary, not a partner, even threatening a trade war with it. Instead of working with the European Union to address China, the Trump administration is pushing the European Union toward China.

Yet there is considerable opportunity to expand U.S.-EU economic cooperation. However, previous efforts to reach a new trade agreement, such as through the Transatlantic Trade Investment Partnership (TTIP), were narrow, largely focusing on a corporate agenda with political leaders and social interests largely on the sidelines. The emphasis on reducing tariff barriers, which are already quite low, and on creating an extrajudicial mechanism to address trade disputes—despite strong democratic judicial systems on both sides of the Atlantic—was misguided. There
is little appetite on either side of the Atlantic for renewing these talks. As Daniel Hamilton, former State Department official and the executive director of the Center for Transatlantic Relations at Johns Hopkins School of Advanced International Studies, assesses, “Politically, the TTIP path may have run out of road.”

A new administration should think more broadly. The United States should seek more than a trade agreement with Europe; it should develop an economic partnership that seeks to improve living standards, expand markets, address inequities in taxation and regulatory gaps, build people-to-people ties, and set the standard for international rules by creating a powerful economic bloc. The goal of an economic partnership with the European Union is not just economic; it is political and geopolitical as well.

The European Union, with its high environmental and labor standards, is an ideal partner. While other trade agreements, such as the TPP, have raised concerns over weak labor and regulatory standards, that simply is not the case with the European Union. In fact, a major public concern within the European Union in previous trade negotiations was that it would have to lower its standards to reach an agreement with the United States. While the United States and the European Union largely possess high standards across the spectrum, the issue is that these standards all differ slightly. This means that U.S. and EU regulators are spending a lot of precious time and energy enforcing regulations against each other to address small variances instead of focusing on countries with weaker standards. Harmonizing regulations could therefore create tremendous opportunities, especially for small- and medium-sized enterprises, which—unlike large corporations—are less able to adapt and comply with multiple sets of international regulatory standards.

The United States and Europe are also highly technologically advanced and educated societies full of innovative companies that invest significantly into research and development. A closer economic partnership, for instance, could create a robust, clean energy market. It could further integrate transportation sectors, reducing trans-Atlantic travel costs and expanding people-to-people connections. It could spur greater infrastructure investment and competition between firms, reducing costs of rebuilding American infrastructure. It could also look to expand travel and work opportunities for Americans and Europeans in each other’s markets. Enabling greater collaboration in “Major services sectors such as electricity, transport, distribution and business,” as Hamilton argues, “could present vast opportunities to firms and huge gains to consumers in both the EU and the United States.”
Both the United States and Europe also have significant economic problems that have given rise to populist political leaders. The United States and Europe are coping with similar economic and social challenges: rising inequality; slow economic growth; migration and immigration; disparities in economic growth between rural and urban areas; tax avoidance through offshore tax havens and money laundering; impact of growing workforce automation; the disruption caused by unregulated social media companies; and the impact of China’s unfair trade practices. Yet the United States and Europe are currently not forging a common approach toward these issues.

A new administration should seek to engage the European Union—as well as other potential democratic partners—to forge a common approach to address these various economic issues in a transformative way. The objective should not simply be about forging new trade agreements and opening new markets to competition; it should also aim to produce better economic outcomes that help advance social and economic cohesion in order to close off space for radical populist leaders.

As Hamilton concluded, striving to create a “North Atlantic Marketplace would offer a reset for the transatlantic relationship by allowing the United States, the EU, and their closest North Atlantic allies and partners to move on from TTIP by negotiating a more effective partnership focused squarely on creating jobs, boosting growth, and ensuring that North Atlantic countries remain rule-makers, rather than rule-takers, in the global economy.” This could make the United States and the European Union, the two largest economies in the world, the focal point for the global economy and could encourage other countries around the world to follow their model and example in order to gain market access.

In addition to building an economic partnership, the United States should take other tangible steps:

- **Work with the European Union to jointly file a nullification and impairment case against China at the WTO.** As Melanie Hart and Kelly Magsamen argue in a recent CAP report, China is currently “undermining the global trading system by violating the rules and norms of that system and then using its market size to evade or undermine international enforcement efforts.” They note, “The WTO dispute settlement provisions give member nations the option to file cases against nations whose actions violate the organization at a foundational level and, by doing so, effectively nullify the benefits the organization was designed to provide its members.” The United States should engage the European Union on a joint effort to hold China to account for its abuses and violations of WTO rules.
• **Negotiate a digital trade agreement with the European Union.** The United States should work in partnership with the European Union on protecting the internet. An open global internet is key to the U.S. economy. The U.S. digital economy in 2016 supported 5.9 million jobs at wages nearly twice the national average. Digital services amounted to more than $400 billion per year. As Hart and Magsamen argue, “The United States should work with like-minded partners to create a safe space for digital trade, one that enshrines open internet principles. That agreement should combine the digital two-dozen regulatory principles with European privacy rules, which the United States should adopt.”

• **Jointly address money laundering.** Autocrats thrive on corruption and the ability to launder their ill-gotten gains into the global financial system. The lack of transparency in financial and banking sectors allows widespread money laundering and for the wealthy to shield their money in offshore tax havens. This is a problem for both the United States and Europe. But the European banking sector has been awash in money laundering scandals. The European Banking Authority has come under criticism from the European Parliament for failing to fulfil its role of policing the banking sector. Europe faces significant challenges when it comes to combating money laundering, although it has recently taken important steps toward shoring up these defenses. In April 2018, as part of a response to the revelations in the Panama Papers, the European Parliament adopted its fifth Anti-Money Laundering Directive. This directive addressed a number of methods to improve European defenses against money laundering, including highlighting the importance of increased transparency around beneficial ownership of companies and trusts and emphasizing the need to improve cooperation among financial authorities. Transparency is one of the most effective tools to combat dirty money that flows across international lines. In the interest of a stronger global financial network, the United States should continue to strengthen its existing financial transparency policies and promote comprehensive trans-Atlantic cooperation on this issue.

By strengthening its own defenses against money laundering and illicit financial behavior, the United States can act as a model for Europe on these issues. The U.S. Department of the Treasury’s Financial Crimes Enforcement Network announced in 2018 that it would be issuing revised geographic targeting orders requiring more extensive ownership disclosure around real estate purchases. The United States should continue pushing for more stringent due diligence requirements in the real estate industry and encourage Europe to follow suit, as this helps prevent illicit financial activity in the global real estate market. It is also crucial to promote
coordination and cooperation between various financial authorities. Europe lacks a centralized authority focusing solely on anti-money laundering efforts, making it more difficult to coordinate efforts across multiple jurisdictions.202

A new American administration should prioritize this issue with Europe and seek to create a stronger trans-Atlantic response to money laundering. More robust anti-money laundering efforts could help transform Europe into a more stringent early checkpoint for financial transparency.

Ally with the European Union to address other urgent global challenges and help strengthen the international order

Working in tandem with the European Union, the United States will be better able to both address global challenges and build a stronger and more liberal international order that better protects human rights and upholds democratic values.

Climate and energy. European leaders continue to strongly demonstrate their commitment to addressing climate change. The new president of the European Commission, Ursula von der Leyen, has made climate change a top priority for Europe, pledging to make it carbon neutral by 2050.203 French President Macron has announced initial plans for a tax on all imports, including U.S. imports, coming from countries without carbon pricing schemes.204 Combating climate change will be a top priority for the European Union, and it should be a top priority for a new U.S. administration. The Trump administration’s withdrawal from the Paris climate agreement has resulted in the United States becoming isolated from international climate policy discussions. As part of a new partnership with the European Union, a new administration should not just rejoin the Paris agree but also work with the European Union to aggressively address the threat to the planet.

Migration challenge. Challenges to European security are challenges to the security of the United States. This means the United States should eagerly look to help support and work with Europe on migration. Migration to Europe from Africa and the Middle East is one of the most difficult challenges confronting the European Union and is a driver of radical populism that threatens to undermine the European Union and democratic institutions. Unlike the United States, this issue represents a more acute challenge for European states, with their higher degree of cultural homogeneity and lack of history of successfully absorbing mass migration.
One critical challenge is that migration disproportionately affects a few European states, particularly Italy, Greece, and Spain. The transit of migrants within the European Union has at times threatened to unravel the Schengen Zone, which enables free movement without border checks. For example, Sweden started instituting border checks with Denmark. It should not be up to individual EU countries to cope on their own with mass migration. The European Union needs a common approach that equitably shifts responsibility to all EU members. This, as expected, has been extremely politically challenging. The United States should use its diplomatic clout to encourage the unionization of migration policy.

Ultimately, the European Union will determine its strategy for dealing with migration. However, the United States and NATO should also engage the European Union in developing a common approach to help address some of the root causes of migration, such as instability in North Africa and the Middle East. As Steven Cook argues in *Foreign Policy*, “It would be an exaggeration to suggest that as goes North Africa so goes Europe but not by much. ... Given how energy, migration, extremism, and Russia’s ambition coincide in North Africa to threaten European stability, it does not seem wise for U.S. policymakers to continue to treat the region as an afterthought.” There are no easy solutions to such a huge international challenge, but the United States should work to create a common plan with the European Union that pursues a humane approach to this difficult issue.

**Balkans.** The Balkans are once again a geopolitically contested region. The European Union still has peacekeepers in Bosnia, and NATO operates a peacekeeping mission in Kosovo. Meanwhile, Russia has sought to build ties to the region to undermine its integration into the European Union and NATO. Russia has sought to develop its relations with Serbia; is cultivating the leadership of the ethnically Serbian region of Bosnia, the Republika Srpska, to block potential EU ascension as well as to keep the country divided; and is investing heavily in Russian media in the region. Russia even attempted to orchestrate a coup in Montenegro to prevent it from joining NATO. China is also seeking to develop relations with the Western Balkans, significantly expanding its economic investments and seeking to engage the region through the **16+1** dialogue it has created. The Balkans are viewed as a key part of the Belt and Road Initiative and seen as a gateway to Europe. This is a critical region for both the United States and Europe, yet it has often been overlooked. The United States and the European Union should work together to forge a common strategy for the region.

**Arms control and cyber.** The U.S. withdrawal from the Intermediate-Range Nuclear Forces (INF) Treaty without informing its European allies, who are potentially the
targets of Russian intermediate cruise missiles, was diplomatic malpractice. This decision made the United States—not Russia—seem at fault for the treaty’s collapse, despite the fact that Russia had been violating the treaty. A new American administration should seek to work with Europe to jointly reengage Russia, as well as China, on creating a potentially global INF Treaty. More urgently, however, a new U.S. administration must immediately seek to extend the New Strategic Arms Reduction Treaty (START) with Russia in order to prevent a new arms race.

Additionally, the United States should work with the European Union in leading new international arms control efforts to tackle emerging technologies, such as lethal autonomous weapons, cyberspace, and biological and chemical weapons. There has been too much international passivity in addressing the spread of new weapons technology. European states have often sought to lead on these issues, while the United States has been reluctant to engage in the U.N. Convention on Certain Conventional Weapons. However, a joint U.S.-EU effort could lead the way and put pressure on China and Russia to come to the table. Should those efforts prove fruitless, the United States will have at the very least exposed Russia and China as uncooperative actors.
This report calls for America to revert back to its historical roots and vigorously support European integration. After World War II and throughout the Cold War, the United States pushed for European integration, to reduce the barriers between European states, and to form a union of European peoples and nations. When the Treaty of Rome was signed in 1957, creating the European Economic Community, President Dwight D. Eisenhower said that “the day this common market [European Economic Community] became a reality would be one of the finest days in the history of the free world, perhaps even more so than winning the war.” Europe’s union was about winning peace.

The United States, however, lost sight of the importance of the European project. America’s oscillation between ambivalence and hostility toward the European Union over the last few decades has made it a force for the status quo and often an obstacle to further European integration. However, the United States needs strong allies now more than any time since the end of the Cold War to cope with the challenge of rising authoritarianism. The United States needs Europe to return to the world’s stage as a strong geopolitical player and voice for liberal values. For Europe to assert itself globally, it needs to do so as one—as a union.

America’s state-centric approach toward engaging Europe, centered around engagement at NATO, has left—and will continue to leave—America disappointed. European states, in large part because of the European Union, will become more parochial in their outlook. In searching for geopolitical drive in Europe, Washington will find it in the European Union. But the European Union remains hamstrung by its member states, which, often encouraged by the United States, have blocked efforts integrate foreign and security policy. European integration now seems stuck, as Europe copes with an increasingly divisive turn in its politics. Just as the United States did during the European Union’s founding, the United States may be able to move Europe forward by vigorously engaging the European Union and its capitals and pushing for further integration not just on foreign and security policy, but also in other areas that will also strengthen the resilience of the European Union, such as in fiscal policy, a banking union, and on migration.
The United States should seek to forge common approaches on a broad swath of critical issues, including climate change, economic prosperity, China, Russia, and arms control. The United States and the European Union, working in tandem, can help drive the global agenda and ensure that the 21st century moves in a liberal and democratic direction as opposed to an autocratic one.

However, questions will certainly be asked whether a new American administration, even through vigorous engagement, will be able to move Europe and the European Union. American clout is not what it was at the end of the Cold War and nowhere near what it was after World War II. The Trump presidency has caused a massive decline in America’s credibility and prompted many Europeans to question the wisdom of aligning with the United States. Additionally, politics and economics may intervene. President Trump may win reelection, democratic elections in Europe may result in new populist governments, and an economic recession could raise new complications.

This report, however, believes that an approach centered on building a new partnership or special relationship between the United States and the European Union, on equal footing and focused on shared values, could achieve real progress. There will be frustrations and differences. Progress will be made on some issues and not on others, because that is what happens with democracies. Yet the process of vigorous engagement will, in the long run, build stronger relations and therefore forge a stronger alliance.

A renewed partnership between the United States and Europe— with the largest and wealthiest economies, most educated and technologically advanced societies, and consisting of the most formidable military alliance in history— can withstand a rising authoritarian tide. To secure the future, the United States should pivot toward Europe and once again fully support and encourage Europe’s continued integration. It is time for America to embrace the European Union.
About the author

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Endnotes


11 Lundestad, ‘Empire’ by Integration, p. 10.


16 Ibid.


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Our Mission

The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.