In Our Hands
Progressive Ideas for a Renewed and Repurposed Trans-Atlantic Bond

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Introduction and summary

This report draws on the discussions within the framework of the inaugural trans-Atlantic dialogue between the Foundation for European Progressive Studies (FEPS) and the Center for American Progress (CAP). While any faults with the report lie with the authors, the ideas contained within it are the result of these dialogues and the contributions of the CAP staff and members of the FEPS network who participated in them.

The trans-Atlantic relationship is in crisis. The extremes of the Trump presidency over the past four years have had a profound impact on the bond between the United States and Europe, fraying a sense of common vision, deepening distrust, widening existing gaps, and resulting in the emergence of new areas of disagreement. Yet as the political and policy trajectories of the two sides have diverged, the commonalities in several key challenges faced by both have become formidable: rising inequalities, alarming signs of democratic exhaustion, a specter of digital insecurities, and a set of changing geopolitical currents.

With this in mind, over the course of the past two years, the Foundation for European Progressive Studies and the Center for American Progress have co-hosted a series of dialogues exploring these key issues, which informed this report. While overcoming divergence seems daunting in the current context, Europe and the United States remain the most natural partners to meet the challenges of today and tomorrow. But to effectively relaunch and renew the trans-Atlantic bond, there are four key areas that demand urgent attention:

1. Both partners should foster an inclusive growth agenda that takes aim at inequality by finally addressing both its symptoms and its root causes.
2. A sustained effort should be made to deepen the shared commitment to free, open, and just societies. This will require strengthening the democratic core of American and European societies, rethinking its architecture and toolkit, and tackling the underlying problems that make both systems susceptible to internal or external illiberal strains.
3. The two trans-Atlantic partners need to do better in thwarting digital authoritarianism—namely, by increasing the accountability and transparency of digital practices and actors while strengthening the safeguards against efforts to weaponize disinformation.

4. Europe and the United States should adopt a new joint strategic global vision. This presupposes the emergence of a new rapprochement on foreign, security, and defense terms, as well as a common outlook that tackles in a balanced way the challenges ahead.

All this points to the need not only to renew the foundations of the trans-Atlantic relationship but also to reimagine many of its old assumptions, something that neither side can do on its own. Much of the success of any efforts made in this direction will be contingent on whether both sides of the Atlantic now use or squander this unique opportunity to reimagine the relationship, beyond simply renewing existing commitments.
Uncertain but unbroken

The trans-Atlantic relationship has just undergone the greatest stress test imaginable. Over the past four years, Donald Trump has actively sought to undermine and break down the long-standing pillars of the relationship, questioning America’s decadeslong security commitment to NATO, launching sustained attacks on the European Union, turning to Europe as the next front of his trade wars, and even announcing plans to withdraw troops from Germany.

Meanwhile, Europe, with an undependable, hostile partner in Washington, has been dealing with its own crises at home. A number of the newer EU member states have undergone significant democratic backsliding, losing the important progress that opened the doors to the Union and NATO in the first place.1 Meanwhile, some of the oldest and most established democracies have been dealing with their own domestic versions of anti-democratic movements that have gained a seat at the table in many capitals. This has all occurred as the United Kingdom, one of the bloc’s key member states in economic, trade, and foreign and security policy terms, formally withdrew from the European Union.

These long-simmering trends have all been exacerbated by the COVID-19 pandemic, which revealed the political and policy cleavages between the two sides of the Atlantic in an almost visceral manner. The pandemic and its aftermath are emblematic of the visibly divergent paths the European Union and the United States have taken in this period. Instead of providing the basis for renewed trans-Atlantic collaboration, the public health crisis has cast further doubt on the global political and scientific role of the United States, in addition to exacerbating existing frictions with Europe.

At a time requiring global leadership, the United States retreated to its corner. Trump’s accusation that European leaders failed to contain the virus and his decision to impose a travel ban on flights coming from the continent without prior consultation2 sowed further distrust among allies. The Trump White House’s disregard for science in handling the virus and its announcement of U.S. withdrawal from the World Health Organization (WHO)3 as a way of deflecting from the mounting domestic crisis compounded the problem.
For its part, the European Union and its member states showed how a deeply fragmented initial response, marked by a lack of collective solidarity,\(^4\) can still produce swift and important collective decisions. Realizing that science is as unsparing as the truth is ineradicable, most European leaders introduced and maintained lockdown restrictions as well as strict policies of social distancing and increased testing for as long as was deemed scientifically necessary, with results that set Europe an ocean apart from the United States. Brussels also showed its support for multilateralism by hosting a virtual coronavirus vaccine fundraising conference that raised $8 billion, which Washington meaningfully skipped.\(^5\)

The impact of the Trump White House on the course and vitality of this partnership has been severe. The very foundations of the alliance have been put into question. This means the burden of what to do next is profound.

America has just sworn in probably the most pro-trans-Atlantic president in decades. Despite the turbulence over the past four years, the Biden administration is expected to start seeking to embrace Europe.\(^6\) The question that remains open now is whether this will be a time to rethink the relationship and embrace an explicitly progressive model for how the United States and Europe can tackle some of the biggest bilateral and global issues. Will this be a moment to reconsider many of the assumptions and established ways of doing things, or will the United States fall into familiar patterns and well-worn grooves, without taking advantage of this unique instance to reimagine the relationship with Europe?

Mirroring this dilemma, it is unclear if Europe will return the embrace of the United States with the same affection it has shown in the past. There is a common perception across many parts of the continent that the Trump administration was not an aberration but a genuine reflection of diverging interests. Trump’s election in 2016, and even the fact that nearly 47 percent of the electorate voted to reelect him in 2020\(^7\) is just proof that on several critical issues—ranging from trade to climate change to data protection—American priorities are not aligned with European ones. This would logically raise concerns about how much Europe wants to engage in long-term projects with the United States, how wise it would be to interconnect the two economies, and to what extent it can depend upon America to live up to its security commitments in the region.

In this context, this report aims to explore pathways through which to renew and repurpose the trans-Atlantic relationship around selected policy areas where actionable progress can and should be made. To do this, the report first looks at some of the most pressing common challenges faced in four areas: inequality, democratic politics,
the digital domain, and the liberal international order. Building on this analysis, the report’s second section offers a number of progressive policy recommendations in these domains, with a view toward not only relaunching and restoring the centrality of the trans-Atlantic bond but also toward renewing its content and direction.
Common challenges: An era of increasing similarity of risks and threats

Perhaps one of the greatest paradoxes in the trans-Atlantic relationship over the past few years has been the fact that as the political and policy trajectories of the United States and Europe have diverged, the commonalities in several key challenges faced by both have grown more intense.

Four of the most consequential of these challenges are explored below. Though the tone and texture of each differ depending on their specific contexts, their core has been eerily similar, posing tremendous risks both in the United States and within the European Union.

A web of rising inequalities

An expansive web of inequalities has taken a firmer grip on each side's economic realities.8 Aided by an untamed form of globalization whose benefits and costs have been asymmetrically spread across society, recent years have seen growing economic disparities between the richest and the poorest. This has gradually made it more expensive to be poor and less costly to be rich.

The rise of divides has not been restricted to income and wealth. Inequalities have cut along various strata, including education, work, health, and housing, creating a deeply embedded unevenness of opportunity and access across the U.S. and EU populations that has a huge impact on quality of life.

The increasing disparities in salaries and the protracted dismantling of public services have created inequalities in both education and health, while generating deep structural divides in life expectancy at birth and professional development opportunities between the rich and the poor.9 Evidently, inequalities of this kind have been closely linked to the area and family in which one is born, rather than one’s merit and skills. In the United States and in several of the European countries most affected by the global financial and eurozone crises, about 1 out of every 5 children is experiencing relative poverty.10
Excessive and increasing levels of inequality have inhibited social and intergenerational mobility, hitting hard at efforts to foster innovation, reduce poverty, or stop the hollowing out of the middle class. These starkly uneven outcomes have been all the more striking given how rich the European and American societies are on average compared with most parts of the world.¹¹

In most cases, rising inequalities have also meant an increase in economic insecurity. Big societal transformations such as the rise of automation, flexibilization, and digitalization, as well as the ecological transition and climate change, have made these growing concerns over economic disparity even more pronounced. Despite these trends’ potential for growth, changes of this magnitude and scope have already emerged as sources of anxiety and insecurity for both the European and American middle classes.

These anxieties have fed discontent on both sides of the Atlantic. Protests in Europe regarding the Transatlantic Trade and Investment Partnership (TTIP), as well as discontent among the American public that led to the canceling of TTIP and that was used to justify the canceling of the Trans-Pacific Partnership.¹²

This toxic combination of rising inequalities and growing mistrust toward an open world has had direct costs at political and societal levels, enhancing the attractiveness of nation-based solutions. A barbed-wire external outlook whereby protectionist barriers were erected and costly tariffs were imposed became an overly simplistic, yet somewhat understandable, solution for many of these concerns. The short-sightedness of these regressive policy choices has been glaring for quite some time, affecting those most vulnerable. But the continuing failures of the political system to buck these trends and deliver on its promises have only made the political consequences of unaddressed inequalities and the pull of these concerns a far more durable feature of the trans-Atlantic reality in recent years.

Against this backdrop, the pandemic severely disrupted the lives and livelihoods of both Europeans and Americans. What’s more, it has disproportionately affected those most vulnerable within each society, exposing or deepening existing cleavages that political leadership has neglected for years. While the pandemic’s long-term effects remain to be seen, one thing is certain: It has exacerbated even further the realities of inequality on both sides of the Atlantic.
A democratic retreat

Intimately connected to the rise in inequality is the fact that American and European democracies have shown signs of exhaustion, if not crisis. As the Economist Intelligence Unit’s Democracy Index illustrates, the average quality of democracy has dropped in both the United States and across Europe in the past 15 years. This has been part of a larger global trend affecting the quality and depth of democratic politics, but it is telling that this trend grew where democracy was supposed to be most securely rooted.

A deeper look at the data showcases that the ways in which this dynamic has unfolded on the two sides of the Atlantic have not been identical, in part due to the obvious differences in each side’s political and electoral systems.

In the United States, extremely high levels of asymmetrical partisan polarization and the gridlock they have often produced have fed into a political loop contributing to and being reinforced by a widespread sense of dented faith in democratic solutions and processes. A conservative focus on gerrymandering, systematic campaigns to restrict voting rights, and regressive legislation aimed at hampering political representation have all exacerbated the erosion of citizens’ belief in how democracy can perform and what it can deliver.

Over the past several months, these anti-democratic trends escalated to a new level as some political forces even argued against following the will of the people by ignoring the lawful election results. There is a permeating belief among many on the right that only their party or candidate can legitimately hold power. The January 6 storming of the Capitol and attempted coup against the incoming Biden administration reveals just how far the anti-democratic forces in American politics have gone and how quickly the situation can escalate into violence.

In Europe, at a national level, a growing sentiment of underrepresentation or nonrepresentation by the traditional political apparatus has been coupled with the frequent inability of the system to ensure inclusiveness and encourage participation. The gap between citizens and leadership has often widened, and any failures of the latter to deliver on promises has only added insult to injury. Meanwhile, at the European level, the opaqueness with which certain aspects of European decision-making have routinely taken place has only made a sense of disconnect and unease with the democratic performance of the European Union more acute—although this has somewhat improved during the pandemic response and after Brexit.
Notwithstanding these important gradients and distinctions, the nature of the predicament bears strong similarities in Europe and the United States. Weakened institutional protections, combined with the absence of economic fairness and the inability of the governing class to perceive this as a problem, have heightened social anxieties and fueled this feeling of distrust toward democratic institutions.

Many voters on both sides of the Atlantic have simply felt left behind, disproportionately affected by the negative ramifications and economic disruption brought about by globalization and often structurally impeded from its benefits. The frustrations related to prolonged dissatisfaction with income development, a persistent landscape of insecure jobs, the specter of long-term unemployment due to shifts in global supply chains, and a chronic lack of economic advancement have helped create the conditions for a backlash against governing elites who have been unresponsive to the concerns of the people.

This range of factors contributed to the election of Donald Trump as U.S. president in 2016 and the decision of the United Kingdom to leave the European Union, as well as the overall rise in anti-democratic movements on both sides of the Atlantic. Socioeconomic reasons were clearly not the only factor. For instance, Brexit was strongly supported both by parts of the deindustrialized north of England and by more affluent areas in the south of the country. Similarly, the average Trump voter actually has a higher income than the average for the overall U.S. population. Nevertheless, these factors were an important part of why these political phenomena became possible.

This groundswell of a strong resentment-driven, anti-establishment political sentiment, combined with rising anti-immigrant and racist public views among segments of the populations in both the United States and Europe, has proved to be fertile ground for the ascendency of nationalist and illiberal forces and movements. This has moved the window about what is acceptable political behavior and rhetoric in democratic societies, triggering further fragmentation and polarization, as well as giving credence to anti-pluralist and openly intolerant voices and allowing them to gain electoral and political appeal.

The crescendo of democratic troubles in the United States during the Trump years echoed the slow but steady regression observed in certain European states, such as Hungary and Poland, and the rise of extreme right-wing parties in others, such as Greece, Italy, and most recently Spain. As a political strategy, leaders with illiberal tendencies have often managed to take hold of the political script—in many cases through demagoguery, empty promises, and a sustained anti-status quo focus—and rise to
power. Under the guise of a democratic mantle, they have worked copiously to hollow
democracy. The result has been weakened or dismantled checks and balances and con-
tinuous challenges against democratic pillars, from the freedoms of press and expres-
sion to the independence of the judiciary and the sanctity of elections themselves.

At a time of discontent and anger, these forces have also understood that people seek
a scapegoat, a group of “others” to cast as an outlet for fear and hatred. A systematic
strategy of stoking these fears has clearly aided and abetted an increased susceptibility
among U.S. and European societies to a simplistic rhetoric and arguments of blame—
primarily against people of color and immigrants.

In the United States, the idea of being a forgotten person was a major theme of Donald
Trump’s political narrative, and immigration was always a key issue for his voters. As
president, Trump’s record remained faithful to his promises on this front: his imme-
diate attempts to implement a Muslim ban; making the wall on the southern border
a constant issue in government funding debates; sending troops to the border; and
implementing the horrific family separation policy.

Similarly, the 2015–2016 refugee crisis in Europe was a major driver for many illiberal
movements. These forces regularly advanced racist tropes, chipping away piece by
piece at refugees’ humanity until they became sheer numbers—numbers which could
then be used to promote an illiberal agenda and deflect away from all aspects of the
democratic retreats taking place in those countries.

An era of disinformation and digital insecurities

If the past few years have not been kind to the state of democratic politics, the level of
weaponization of information in today’s fiercely contested geopolitical environment
has certainly served as a primary factor.

Malign actors have taken advantage of the rise of new media and digital technologies,
exploiting loopholes that exist in the intersection between this set of technological
advancements and the traditional democratic model of political and social organiza-
tion. These actors have realized over the past decade and a half—first inside their own
countries, then exported to other countries—that this new digital toolkit is a relatively
easy, far less costly, and much more powerful instrument, perfectly capable of exploit-
ing human weaknesses and polarizing and dividing societies.
The goal has been clear. Usually disguised as legitimate and trustworthy content, disinformation campaigns have often taken advantage of the viral power of social media and the echo chambers that digital liked-minded communities often operate within, at times leading to distribution rates for disinformation that are much higher than rates for actual news. Such campaigns, which have included the spread of “fake news” and which have been amplified by the rise of internet trolls and bots, have thrived on the polarization many societies are facing and have served to further entrench these echo chambers and amplify the spread of falsehoods. Scandals such as the one surrounding Cambridge Analytica only confirm the destructive and disruptive nature of these offensives.22

In parallel, the explosive growth of social media and its exploitation have resulted in serious cracks, if not the collapse, of common narratives that are based on truth and facts. The combined result of this is the subversion of the normalcy of political life—the sowing and encouragement of discord and the amplification of fissures, divisions, suspicions, and distrust within the American and European societies. It is these fissures that have increased and sustained the susceptibility of societies on both sides of the Atlantic to outside interference. The strongly held belief by the insurgents who stormed the Capitol on January 6 that Trump was the rightful winner of the election and that they were upholding the true results shows just how forcefully these beliefs can be held and just how damaging they can be.

However, cyber-borne threats have not been limited to foreign digital interference. Disconcertingly, this new landscape has also been characterized by the growing number and sophistication of cyberattacks. Mirroring this trend, there has been a noticeable uptick in the emphasis placed on sovereignty and government regulatory control over a policy domain that has traditionally transcended physical borders.

While this is to some extent to be expected given how important digital infrastructure has become socially and economically, a failure to coordinate regulatory action has led to tangible losses, as digital technology is entangled with trade, communication, and connectivity. The prospect of the “splinternet”—whereby a maze of state-based barriers is erected, and where one’s experience online is dictated by the country from which they log on—is already afoot, enforced by state attempts to fence off the web into national domains and facilitated by private actors willing to abide by such restrictions.23

At the forefront of these efforts are Beijing and Moscow, which have been the most visible examples of a cohort of countries willing and capable of developing and exporting a technology-driven toolkit to deepen their grip internally and promote illiberal practices beyond their borders. The strategic integration of technologies
powered by artificial intelligence into their systems has made the goal of extensive censorship and surveillance at home a much simpler and cheaper affair. At the same time, the systematic harnessing of new technologies has made far more efficient the pursuit of disseminating disinformation and propaganda online as a means of poisoning the public sphere and undermining trust in open, democratic societies abroad. This has also meant that countries that are smaller or less capable less able to compete by traditional means yet are equally willing to set their own undemocratic boundaries now have a comprehensive menu of tech-enabled options to follow and emulate when designing and executing their own programs.

With a health crisis sweeping the globe, the stringent digital and surveillance policies that several governments implemented in the heat of the pandemic, amplifying control over citizens and information, have fueled these trends. As more countries are tempted to do just that, the potential for further disruptions to the free flow of trade and information on which the U.S. and EU democratic political systems depend has mounted further.

A set of changing geopolitical currents

Finally, the terms of the trans-Atlantic partnership have been challenged by a series of factors relating to the wider geopolitical environment.

Primary among these has been the immense, if not unprecedented, stress placed on the liberal international order. This order, which has been so decisively shaped and steered by the United States and Europe over the past decades and on whose vitality the prosperity and security of both trans-Atlantic partners has so heavily depended, now suffers from multiple crises of purpose, authority, and legitimacy.

The external threat to the order has mostly resulted from ongoing power shifts at the global and regional levels, as well as the ambition of re-emerging powers to reshape the current Western-dominated institutions of international order and the ideas that underlie them. China probably constitutes the most indicative example of a major power working not just to influence international institutions but also to create new arrangements to serve its national interests better.

Meanwhile, the global decline in the democratic nucleus of the liberal component of the global order has been facilitated by an emerging axis of illiberal countries challenging democratic values. From Latin America to Asia to the Middle East, the world has seen such forces time and again contest the primacy of liberal democracy as the optimal political system.
Yet while the tremors related to such external factors have been substantive, the qualitative difference compared with the past is that “the strain placed on the system as currently functioning has been delivered not only by some of its known antagonists but also by hitherto champions of it.”

As alluded to earlier, an erosion in the belief and the benefits of openness—regarding the international economy, trade, and borders alike—has been combined with declining confidence that liberal democracy is the optimal political system, even within the trans-Atlantic community. Relatedly, embitterment against a multilateral system that is seriously out of sync with global and regional power realities and whose mechanics have long been out of date has manifested itself within U.S. and European societies. What’s more, America’s willful abdication of its self-imposed responsibility to act as the system’s enforcer and guarantor, and the increasing difficulty Europe has faced in shouldering an enlarged responsibility to defend it, has emboldened other players to engage in parallel order-shaping, chip away at key tenets of the system, and at times promote a revisionist agenda.

In a rapidly transforming world, this leaves the trans-Atlantic community vulnerable to new risks and threats. Challenges from both within and without the international liberal order have had different roots and causes, but they largely share the same concerns against the open, liberal, universalist features of this order and its component relationships and arrangements.
Common answers: The importance of renewing and repurposing the trans-Atlantic partnership

For decades, the trans-Atlantic partnership has acted as a robust and reliable anchor in a world of accelerating change. Yet the key challenges explored above have fundamentally altered the playing field of both sides’ democracies, economies, and societies. That the risks posed by those challenges are intertwined and often reinforce one another is a compelling reason for redoubled efforts to bolster and refresh the trans-Atlantic dialogue. Unaddressed and unresolved, their combined impact could be nothing short of tectonic, weakening further the core of a bond that has defined the global order since the end of World War II.

If the Trump presidency was a delicate exercise in finding any space for meaningful cooperation, the future cannot and should not be dedicated only to limiting damage. For the relationship between Europe and the United States to flourish, the focus should instead be on coming up with an agenda of common intent and purpose so that the trans-Atlantic community can once again play an essential, leading role in meeting the moment. To do so calls for a renewed and repurposed partnership.

Building on the four areas outlined in the previous section, four areas of suggested action are presented below. These delineate crucial aspects of what should substantiate a new trans-Atlantic push at the bilateral and international levels.

Fostering an inclusive growth agenda against inequality

Attention should be redrawn toward addressing the root causes and consequences of growing inequalities and economic insecurities. This requires nothing short of a fundamental rethink of the economic model underpinning public sector intervention. What is needed is a new paradigm for quality growth, in which quality, from a progressive standpoint, corresponds to a full compliance with climate, digital, regional, race, and gender justice. Such rethinking should instruct an overhaul of redistributive—and predistributational—policies, as well as employment, industrial, and investment policy.
To give new meaning to growth, an ambitious trans-Atlantic progressive economic agenda should refocus on quality work and well-being. Increasing the economic and political power of working people needs to be an integral part of the way forward on both sides of the Atlantic.

The devastation wrought by COVID-19 has made the problem of inequality more acute, but it has also acted as a force majeure for an extraordinary liberation of political action. The speed and scale of the fiscal response in the face of a crisis without modern parallel was the type of transformative public policy action that would have been previously disregarded as unmanageable or politically unthinkable, until it was deemed necessary. The momentum should not be lost for a fundamental economic rethink that puts the battle against inequality front and center and that does not hypocritically subjugate this goal’s importance and urgency under a rigid reading of deficit or debt-creation concerns. To this end, creating a policy mix that combats both the long-term source of inequalities and its myriad symptoms should become a priority.

Pursuing wage-led growth and a democratization of work
A first impactful step in this direction would be recentering an economic strategy for prosperity around those that contribute to the economy. Doing so can only be possible if markets are pushed to recognize and elevate the value of work, not least of all in remuneration terms.

Recent experiences, such as the raise in minimum wages at Amazon and other U.S. companies, as well as the introduction of a statutory minimum wage in Germany in 2015, suggest that ensuring decent salaries will not have negative consequences on employment rates. In Europe, countries with higher average salaries—such as Luxembourg, Austria, Denmark, the Netherlands, Sweden, and Germany—are also the countries with higher employment rates and competitiveness. Meanwhile, the European Commission recently launched a proposal for a European Directive on adequate minimum wages and is committed to tackling in-work poverty and the wide wage differential among EU member states. A coordinated trans-Atlantic approach in this regard that translates into a joint push for better wages would offset short-term distortive impacts of this type of policy.

At the same time, both the United States and the European Union should treat wage-led growth as an equitable economic strategy that ensures high levels of domestic aggregate demand and household investment. A democratization of work is also needed, particularly following the devastating consequences of the pandemic, with a renewed effort toward improving working conditions, job security, safety at work, sufficient flexibility to ensure work-life balance, and representation on executive boards.
Promoting a climate agenda with a just social impact

A vital part of this effort should also be dedicated to a pandemic recovery trajectory that is both green and equitable. Although stimulus packages and recovery strategies are currently being implemented across the world, significant decisions remain to be made as to these plans’ purpose, focus, and sequencing.

It is crucial to ensure that the public sector-led initiatives for the economic rebound are aligned with the pursuit of the Paris climate agreement, including the objectives of setting ambitious emission reduction goals, building back with resilience in mind, and avoiding biodiversity loss. Working toward more integrated policy approaches that are not contingent on a simple reinvention of an outdated economic paradigm but instead reflect the capacity to build back better can be powerful tools in reaching fairer economic, social, and environmental outcomes.

The European Union has shown resolve in this area by putting sustainability at the center of its recovery package, adopted by the European Parliament and the European Council in December 2020. The overall seven-year financial package is worth a little more than 1.82 billion euros and combines the Multiannual Financial Framework of approximately 1.07 billion euros with the brand-new recovery instrument, Next Generation EU, of 750 billion euros. In this package, about 30 percent of the total resources are allocated to climate-relevant projects.

This move complemented the bloc’s ambitious targets under the European Green Deal—the European Union’s blueprint for achieving climate neutrality by 2050, mainly via a fair transition to a sustainable, low-carbon economy.

In the United States, President Joe Biden campaigned on a national recovery strategy that would pursue a holistic approach to addressing the COVID-19 public health crisis, the economic crisis, the racial justice crisis, and the climate crisis. He pledged to seek $2 trillion in federal spending over four years on infrastructure and research and development investments across the electricity sector, transportation infrastructure, buildings, and agriculture. Further, he committed to dedicating 40 percent of the benefits of investment to historically disadvantaged communities and communities of color to address generations-long environmental injustices.

Most significantly, Biden ran on climate and he won on climate, with more than 80 million voters choosing his vision for an equitable, clean energy future. Biden offered a choice to voters between bold climate action or science denial. Millions responded, giving him a clear mandate on climate.
Change in climate change policies is essential in both the United States and the European Union, and if the pandemic has demonstrated anything, it is the degree of vulnerability in national socioeconomic systems to external shocks. Both the European Union, in its European Green Deal, and President Biden, in his winning proposition to American voters, have demonstrated that climate objectives cannot and should not be meaningfully separated from a broader economic mandate of recovery. It is clear that the two sides are setting the foundation for a progressive trans-Atlantic partnership that goes beyond the mere identification and implementation of climate targets to work to define a climate action agenda that works for the people and concretely delivers on employment and well-being.

All this is impossible without substantial investment. From funds devoted to sustainable housing renovations to the repurposing of industrial districts, and from seed investment in green startups and innovation to support for the creation of greener jobs aimed at the development of cleaner and more energy efficient practices, the scope for public action in this area is massive.

**A rapprochement on economic governance**

It is key to deliver this much-needed overhaul of trans-Atlantic economic thinking toward domestic agendas that promote a pro-growth strategy that addresses systemic inequality and climate and environmental degradation. However, this effort will be incomplete without a trans-Atlantic economic rapprochement on political and policy terms at the international level.

The hostility of the past four years has been an affront to the trust that long defined the trans-Atlantic economic partnership and the confidence with which both sides of the Atlantic pursued a decadeslong strategy of economic and trade openness.

Yet despite the political discord, the trans-Atlantic economy remains the most integrated globally, with both sides remaining each other’s most important market. The United States and European Union’s joint economic weight and influence at a global level remains formidable, albeit only possible if neither side retreats to its own corner. This is why the task of repairing the functionality and shaping the substantive contents of the U.S.-EU bilateral relationship needs to be combined with redoubled efforts to jointly deliver on a number of key international economic issues.

The European Union and its member states, as well as the new Biden administration, will be confronted with decisions that can truly reshape fiscal justice and provide public authorities with the means to conduct far-reaching recovery and investment plans.
The proposal by the Organization for Economic Cooperation and Development for a
global minimum corporate tax[^39] can truly be a game-changer. Despite different national
interests, a converged trans-Atlantic outlook regarding both short- and medium-term
demands and long-term goals in this area can bring real progress in the negotiations.

In light of this, putting an end to serious tax anomalies that are benefiting the shareholders
of multinational corporations without benefiting their workers will be key, as will
prioritizing strategies to counter corruption. It will also be necessary for the United
States and European Union to more strongly cooperate in ending practices of profit
shifting and tax avoidance by global companies with no physical presence in a country
that take advantage of that country’s favorable tax regimes. If the United States and
the European Union manage to find an alignment, this would indeed be a meaningful
step toward “ensur[ing] a fair allocation of taxing rights in an increasingly globalised
world.”[^40] Under Trump, Washington called for a pause in discussions related to these
issues,[^41] and the series of unilateral measures taken by European countries—in the form
of a digital tax in countries such as France, Italy, and Austria—has primarily targeted big
U.S. tech companies, resulting in another tit-for-tat round of tax and trade wars.[^42] This
all reveals the increasingly disruptive impact an escalatory spiral can have, if a common
trans-Atlantic understanding on global taxation is not established. Instead, Europe and
the United States working together to drive this agenda forward is crucial to striking a
decisive blow against inequalities both internationally and at home.

As the uncertainties and turbulence in the trans-Atlantic relationship have perhaps
been clearest in the trade sphere, another fundamental area of urgently needed coop-
eration is rebuilding the trust in the multilateral trade system and pushing forward a
meaningful agenda of World Trade Organization (WTO) reform and modernization
that rekindles the promise of benefits that are diffusely spread and reciprocated. Again,
the starting point for such an endeavor is extremely low, given that the rhetoric and
actions of Trump and Robert Lighthizer, the former U.S. trade representative, have,
inter alia, added impediments to the organization’s rule implementation and monitor-
ing functions and have led to the collapse of the two-step process of its dispute settle-
ment mechanism.

Overcoming this presupposes at the very least the elimination of the public rhetoric
and practices that feed into a climate of suspicion and protectionist tendencies on both
sides of the Atlantic. But far beyond that, it also requires a deep realization of the need
for each side to strengthen, not dilute, a common message and practice of supporting
trade openness, the WTO, and its reform process.
What’s more, trade and climate will likely intersect directly as the European Union begins to roll out its carbon border adjustments. With no U.S. equivalent to the European emissions trading system, how Washington responds to taxes on American exports will be something the two sides have to resolve. The advent of the Biden administration should also allow both partners to steer the overall trade agenda toward higher environmental and employment standards, in full alignment with a worldview that sees trade not as a goal in itself but also as a means to a more prosperous and just society.

Deepening the shared commitment to free, open, and just societies

Democracy on both sides of the Atlantic is only as strong as we make it. The most damning elements of democratic backsliding in U.S. and European societies have been the outcome of their own democratic failures. The fact that the most recent former occupant of the White House has launched attacks against core democratic principles—through his offensives against checks and balances, the free media, political opponents, and the judiciary—and continues to enjoy significant support within his party serves as the sharpest evidence of that. The storming of the U.S. Capitol on January 6 has brought this trend to a frightening new height, with no easy end or quick solution in sight.

This is why joint work in this critical domain should start at home.

Similar to the economic front, if the liberal democratic model is to remain relevant and competitive, it has to deliver. COVID-19 has raised difficult questions for democratic systems, testing their ability to adequately respond to the public health crisis, as compared with the equivalent response of certain illiberal regimes. These doubts have been partly put at ease so far, but the need remains for reaffirming the benefits of open, accountable, and democratic systems in acting as the optimum laboratory for creative solutions to the problems at hand and the systemic challenges of the future.

Getting our own houses in order

Democracy withers without equality, so these two goals should not be siloed. In order to fully safeguard democracy, America and Europe need to strengthen the democratic core of their societies while rethinking its architecture and toolkits. This means they must exhaust all means at their disposal and must not shirk their responsibility to tackle the underlying problems making their societies susceptible to internal and external illiberal strains.
As suggested above, both the United States and the European Union need to address the structural causes of human insecurity, including poverty, stagnant incomes, and the uncertainty and disillusionment that are linked to further unchecked globalization, modernization, and automation. There is no better recipe for embedding democratic norms into and inoculating societies against negative international influence than devising inclusive policies that take into account those left behind. After all, disinformation is a way of storytelling, and the best way to counter it is to prove the vitality of a democratic system that works for all.

Leaders in the United States and Europe also need to act in concert to restore democratic values and norms. Efforts in this direction should include embracing and protecting more resolutely the role of a free press, respecting the independence of the judiciary and law enforcement, valuing its civil servants, protecting people of color and expanding a safety net of nondiscrimination policies, rejecting and addressing racial and religious antagonism, expanding voting rights, eliminating rules or institutions that unfairly bias the political process and distort policy outcomes, and separating the interests of the public from the private interests of those in power. It may sound like an agenda for the 19th century, but unfortunately, with the democratic setback that the North American and European continents have experienced, existing institutions cannot be taken for granted. Moreover, these institutions must be protected, modernized, and strengthened. As part of this effort, progressives on both sides of the Atlantic should seek to build trust in science and facts, address drivers of declining public trust in institutions, and ensure a free and fair democratic process. U.S. and European progressives should generate a mutually reinforcing pro-democracy governing agenda.

A more representative and participatory political model
Despite its tragic consequences in health and employment terms, the COVID-19 pandemic has partly disrupted the nationalist discourse, opening up space for a more sustained focus on people and their well-being. The objective should now be to redesign together a people-centered democratic architecture that can deliver on more inclusive solutions.

These efforts should be complemented by initiatives to improve political representation and participation to better meet current and future challenges and demands. Making democratic parties more internally contestable and scalable is also an exercise of democratic health, as it allows the emergence of new faces representing a plurality of new voices.
If the need for this was not entirely clear in the pre-pandemic environment, COVID-19 has made it so by supercharging digitalization while revealing the current extent and future demands for the "mass adoption of digital technology at both institutional and individual levels." Democratic systems now need to catch up, both with what has happened and what is coming—from providing more reliable safeguards of the integrity of electoral processes to designing electoral laws and voting processes that are more in sync with the digital age. Technological advances and developments in the digital domain have the potential to increase democratic representation and participation, but, as has been made painfully obvious over the past four years, they do not operate in a void: They need to be filled by the right policy mix in order to ensure that they can serve this objective.

A strengthened international liberal order
It follows that if our own houses are not in order, then it is impossible for international efforts to defend and promote key aspects of the international liberal order and to engage in effective competition with nondemocratic challengers. Again, the Trump administration offers a poignant cautionary tale for how a corrupt leader can exploit electoral means to weaken a state’s commitment to democracy, which can have a ripple effect worldwide by encouraging autocrats and anti-democratic strongmen. But Europe is not without guilt in this regard. A substantially more subdued rhetoric on democracy abroad over the past decade has only mirrored the mounting evidence of internal democratic retreat and inwardness in many EU member states, serving to muzzle the credibility and legitimacy of a democracy-based message in foreign policy writ large.

This is why a more settled trans-Atlantic partnership, intent on defending liberal ideals domestically, means redoubled efforts to strengthen current policies supporting democracy and human rights beyond its borders. Democracy should once again be placed as a central pillar of the external action of both the United States and the European Union, allocating resources and time to guarantee the centrality of the message and the efficacy of the actions taken.

This effort can be complemented by strengthening the international links among democracies. The case for the trans-Atlantic partners to join hands with other democratic allies across the world in an age of rising authoritarianism and growing great-power competition is clear. Various ideas have been circulated as to how this can best be done, such as President Biden’s idea for convening an international “Summit for Democracy” or a recent call to establish “a limited action-oriented D-10 focusing on core issues,” which all warrant a serious, closer look. But what is equally clear is the need to avoid turning any steps to this end into instruments of
zero-sum thinking against specific global competitors such as China. An anti-Beijing alliance of democracies, which is what former Secretary of State Mike Pompeo advocated in his broadsides against that nation, will reduce not only the value and functionality of such an undertaking but its legitimacy as well.

Instead, the push should be for an approach that genuinely commands and fosters the support of like-minded democracies, including Japan, India, South Korea, Australia, New Zealand, Canada, and others. Moreover, it must be an approach that is neither monothematic in its inception nor unidimensional in its focus.

There is a wide range of topics on which a more systematic, constructive dialogue among open, democratic societies across continents is direly needed. These topics include protecting election infrastructure, engaging with digital media platforms to deter malign influence operations, addressing gaps in international financial systems, and working on a multilateral level to identify and sanction actors that subvert democracy. The trans-Atlantic community can and should be at the forefront of these discussions.

As indicated earlier, many of the multilateral system’s component institutions and arrangements are outdated, sclerotic, and under pressure from all sides, suffering from a chronic lack of modernization and a lack of equitable representation. Whether it is the programmatic and institutional reform of the WHO, the reinjection of ambition into multilateral climate negotiations, or the setting of more transparent rules in the normative discussions around responsible state behavior in cyberspace, there are an alarming number of signs that the system must adapt if it is to survive.

As other powers such as China and Russia work to bring the existing multilateral architectures closer to their own authoritarian norms and invest in alternative arrangements designed to serve their interests, this is as good a moment as any for the United States, Europe, and their allies to offer substantive proposals for the renewal of global governance. This effort should strengthen the system’s commitment to free, open, and just societies against the growing reach of authoritarian influence.

Thwarting digital authoritarianism

Linked to a process of digitalization that has touched every aspect of modern life, the commonalities of cyber-borne threats binding both sides of the Atlantic require the establishment of a sense of common purpose and action.
Digital authoritarianism—the deployment of existing information technologies by authoritarian regimes to exercise more effective control internally, project their illiberal objectives internationally, and shape global governance concerning the use of technology and the internet accordingly—is noticeably on the rise.

COVID-19 has aggravated much of this threat landscape. Beyond the very serious dilemmas it has presented concerning the trade-offs among privacy protection, civil liberties, and the need for the use of data and technology to respond to the virus, it has deepened the fractures among governments over where to draw the regulatory line between state control and personal privacy. In so doing, it has emboldened the digital embrace of illiberal forces, giving them an unprecedented opportunity to employ tech-enabled means in a much more intrusive and radical manner.

Deeper digital trans-Atlantic cooperation in order to confront these challenges will not be an easy task. Following the Snowden revelations in 2013, obstacles to and policy divergence in digital progress between the European Union and the United States have only become more visible. This high-profile incident did not only create a rift of trust in trans-Atlantic cybersecurity relations, but it also raised the prominence of internet privacy issues, as it was “instrumental in defeating organised corporate power and enabling privacy advocates to mobilise Europe’s culture of privacy protection.”55 Pursuant to this, the “do-no-harm” approach of the U.S. Congress regarding the tech ecosystem in Silicon Valley56 has been confronted with an increasing readiness by European authorities to apply intense scrutiny to the business practices, tax arrangements, and privacy policies of these companies when they operate in Europe.

This is why, as exhibited by the controversies surrounding the European Union’s General Data Protection Regulation, it will be equally challenging to build trust to develop a constructive agenda for the modernization of policies at the intersection of data protection and security that begins to address the global debate over digital surveillance. The recent ruling of the European Union’s General Court in favor of Apple and against the European Commission in a high-profile tax dispute,57 as well as the annulment of Privacy Shield, the trans-Atlantic data protection agreement, by the EU Court of Justice in the Schrems II case58—which “summarily demolished the fragile legal peace that has prevailed for the last four years on the subject of transatlantic data transfers”59—offer additional examples of the difficulty of the task ahead.

But these are not irreparable fissures. Even if extensive, these instances of policy divergence should become a focal point of increased cooperation. The spectacular rise in high-tech illiberalism only serves to demonstrate that the value in reconciling both
trans-Atlantic positions vastly outweighs the costs. Avoiding national competition and working instead to achieve greater convergence in trans-Atlantic digital practice will greatly amplify the efforts of both trans-Atlantic partners to enhance their cyber-resilience and promote a common, open, privacy-preserving and positive vision for regulating and governing the cyber sphere.

**Increasing the accountability and transparency of tech practices and actors**

Meeting the emerging digital threats and countering strategies that exploit the vulnerabilities of democratic systems call for developing an effective toolkit. Here too, that work needs to start at home.

An integral part of the United States’ and Europe’s domestic work to ensure that democracy survives the digital age and tackles the challenges of a more contested online sphere concerns the need to increase the accountability and transparency of monopolistic tech giants’ practices. In the same manner that the 2008 global financial crisis showed that the market cannot automatically correct itself, stronger rules must be put in place in this area. The oversized, and to a large extent unregulated, unfettered, and unaccountable, role of Big Tech companies cannot be overstated. The pandemic has exposed in significant detail these companies’ gargantuan significance in terms of information exchange and communication in global systems, as well as their stunning economic resilience despite the global economic fallout.60

The increasing weaponization of disinformation via social media, the spread of hateful rhetoric and false or manipulated information across many of these channels, and Big Tech’s gradual tightening of its grip on digital activity only points to the need for much more demanding scrutiny and oversight. The International Grand Committee on Disinformation and “Fake News” is an example of this and could be expanded upon. The overall direction should be toward preventing the concentration of power, prioritizing citizens’ concerns and rights, and strengthening pertinent public governance.61

Changes in business models should be combined with changes in corporate policies, fostering a culture that is more dependent on information and best-practice exchanges and a much higher level of transparency. As Thierry Breton, the European commissioner for the internal market, argued after the January 6 events on Capitol Hill, “A dogma has collapsed. Platforms no longer hide their responsibility by arguing that they merely provide hosting services. Capitol Hill is the 9/11 moment of social media.”62
Companies should be encouraged to raise the cost of disinformation campaigns using their platforms in financial, transparency, and reputational terms. Related to this, a principled and more coherent rules- and rights-based framework could be established as a means of addressing disinformation and viral deception. More appropriate oversight and mechanisms of compliance need to also apply to firms based in the U.S. and EU member states that supply and export advanced facial-recognition technology as well as data-analytics and dual-use surveillance tools to a variety of governments and individual actors, including many that advance digital authoritarianism and regularly engage in undemocratic practices.

The European Commission recently published its ambitious Digital Services Act package, a comprehensive proposal to “upgrade [the bloc’s] liability and safety rules for digital platforms, services and products” and provide specific rules for large online platforms that function as gatekeepers. This is only the latest step in a series of measures taken as part of the European Digital Strategy to reshape the regulatory landscape on issues relating to privacy, electronic commerce, digital platforms, and copyright across the bloc.

In the United States, as it was with so many other issues, the immense decision about whether and how government should regulate Big Tech stalled during the Trump administration. However, there is wide recognition that the current arrangement is not working. The 2020 report of the House Subcommittee on Antitrust, Commercial, and Administrative Law on large technology platforms may frame the terms on which that debate will take place and potentially opens up space for a closer alignment with the European Union on these issues. In addition, a number of major lawsuits and investigations in the United States centered on Big Tech and conducted by the U.S. government and/or different coalitions of states could have far-reaching consequences, including the breaking up of these firms. Aligning the operation of the biggest online platforms with the public interest is one of the major structural issues that the new administration and Congress have to consider.

With this in mind, greater efforts need to be dedicated now to aligning regulation at a trans-Atlantic level around a common framework. The continuation of a fractious and inconclusive bilateral debate only weakens the trans-Atlantic position on these vital matters. However, tracing convergence and working together on the basis of stronger cooperation should not mean inertia and a failure to regulate properly or tax fairly by either side. Failure by the trans-Atlantic partners to define a more coherent regulatory framework in tandem will only raise the appetite and capacity of other political powers with very different ideas of how to fill this void.
A blend of digital and nondigital responses

Finally, thwarting digital authoritarianism cannot be done solely via digital means. In the same way that technology alone could not contain the coronavirus or its devastating economic consequences, responding to the problems in this domain cannot be served only by digital means. The fact that technology is increasingly geopoliticized needs to be combined with a greater sense of the renaissance of geopolitics in general.

A central objective here should be to significantly raise the cost and repercussions of conducting digital and information interference operations. Following its adoption of an autonomous cyber-sanctions regime in 2019, the European Union recently imposed its first-ever batch of such restrictive measures against individuals and entities responsible for or involved in various cyberattacks. This type of action enhances the signaling value that a shared trans-Atlantic commitment would have, not least in elucidating what the two partners are willing and able to do about malicious cyber-state activity.

In the midst of this accelerated digitalization, it is important to project a similar thinking onto the international stage. Reinforcing the commonality of a shared trans-Atlantic vision concerning cyberspace governance should be a top priority, as Russia, China, and others have not only engaged in efforts to exploit open systems, but they have also seen their influence rise in global conversations regarding technology and internet governance.

There are highly consequential discussions taking place at multilateral and multi-stakeholder levels within the framework and on the margins of the International Telecommunication Union and the United Nations that concern, respectively, internet governance and responsible state behavior in the use of information and communications technology. These impinge upon tremendously important questions concerning the global online digital commons, including the degree of future digital openness, interoperability, and interconnectivity. The trans-Atlantic axis should aim to serve as the international standards and norms setter in this regard. Combining the regulatory weight of the U.S. government with European leadership on issues such as data protection would create the necessary weight for meaningful, positive change at a global level. It would be unrealistic to expect perfect EU-U.S. alignment, but both sides have to push for a general framework in global regulations as an antidote to digital fragmentation and authoritarianism.

Finally, it is critical to ensure that the harmonized responses to the global threats of disinformation and digital influence operations strike a balance between needed new measures and the protection of freedom of expression. Both partners must also be mindful that steps that may be appropriately balanced in some democratic societies may
be copied and abused in less democratic societies, and that their own institutions have struggled with this erosion. The response to combating disinformation and digital influence operations must be anchored in transparent democratic values, lest digital authoritarianism be unintentionally furthered.

A common strategic vision

Ultimately, in a period shaped by far-reaching power shifts in the world, Europe and the United States need to craft and implement a new joint strategic global vision. The world stage is not only getting increasingly transactional and competitive, it is also going through a period of so-called Westlessness—“a widespread feeling of uneasiness and restlessness in the face of increasing uncertainty about the enduring purpose of the West”—as the 2020 Munich Security Report put it.70

Being united on such a vision is not without its own distinctive challenges.

Tensions are not new in trans-Atlantic relations, but the past few years have stretched the bond almost to a point beyond its limits. The Trump presidency created unpredictability on the part of Washington, especially on cases, countries, and crises that mattered and where alignment between the European Union and the United States was critical, making joint trans-Atlantic action almost impossible. From the Joint Comprehensive Plan of Action with Iran71 to relations with Russia,72 and from multilateralism to arms control,73 uncoordinated actions have exposed both trans-Atlantic partners to more risk.

Rebuilding an agenda of common understanding

Sending a more coherent trans-Atlantic message and acting more in concert will require a joint agenda of shared geopolitical understanding. This starts with the shared political and strategic concerns that underpin the trans-Atlantic security architecture. This will not be done overnight, as some of the cleavages created will be difficult and time-consuming to parse. But Europe and the United States should rebuild alignment on key international agenda items and recapture a sense of shared, albeit not identical, direction of travel.

Inescapably, a key component of this work concerns the challenges posed by a range of international actors, such as China and Russia, that stand to benefit from trans-Atlantic discord. Of course, nuanced differences in perception and practice between Europe and the United States regarding Beijing and Moscow will remain
in place for the foreseeable future, and it would be unrealistic to expect the totality of these differences to simply vanish. However, the two trans-Atlantic partners should not avoid confronting the inconvenient truth that they urgently need to craft a common outlook that tackles China’s rise in a balanced way or addresses Russia’s disruptive inclinations in a much more efficient manner, among other similar challenges. Absent such an alignment, it is debatable whether the U.S.-EU partnership can remain as protective of its own security and prosperity and as pivotal in shaping global realities as it has been in the past.

Reaffirming confidence in security and defense affairs
This alignment will also require mending the sense of unity on security and defense matters. The observed animosity of the Trump years, starting with the former president’s equivocations concerning the principle of collective defense—the strategic raison d’être of NATO—and culminating in his overly transactional exhortations on burden sharing, have done a lot to undermine the trust that served as a sine qua non for the partnership and the alliance. This divisive, quid-pro-quo rhetoric often made a number of Trump’s sensitive decisions, such as his announcements of a considerable withdrawal of U.S. troops deployed in Germany,74 appear to European interlocutors as thoughtless exercises in vindictiveness, rather than logical steps in longer-term trends or meticulously designed tweaks regarding the U.S. force posture in Europe. This pervasive sentiment was worsened by the severe unpredictability created by the frequent mismatch between Trump’s impulsive words and the actions of his administration. Isolationism, retrenchment, and uncertain leadership led to the deconstruction of a broad bilateral strategic agenda, with the focus gradually shifting to small transactional goals.

Beyond this debate, however, the Trump administration took what was a traditional American approach of skepticism toward European defense initiatives and schemes outside NATO in a much more extreme and negative direction. Nascent European steps toward assuming greater responsibility for some of the bloc’s own security, mainly in the form of the Permanent Structured Cooperation and the European Defence Fund (EDF), were met with concern, if not outright opposition, by the Trump White House, informed by an overall stance of euroscepticism. The EDF has been on the receiving end of many of these criticisms, primarily on the basis of a fear that European defense industrial cooperation would exclude American companies and would therefore set an undesirable precedent for the future. For an administration and a president with an inclination to make grand political statements out of suspicions and/or misunderstandings, Europeans’ use of concepts such as “European strategic autonomy” certainly did not help close this rift.
At the same time, however, a number of European countries have continued to woefully resource their defense budgets, even amid rising Russian aggression. This is a trend that appears likely to continue as national budgets face increased strain amid the response to COVID-19.\textsuperscript{75}

In light of this, it is crucial to underline that the exercise of reaffirming confidence and rebuilding lost trust will require commitment in both directions—even if not in equal measure.

Doing so will be germane to the efforts to re-establish a reliably strong and forward-looking common approach in wider geopolitical terms. Beyond the discussions regarding the future orientation of and toward NATO, wider issues of grand strategy, the architecture and the terms of burden sharing, and more specific threats such as hybrid cyber threats, the offensive instrumentalization of the interlinkages between security and the economy need to be part of the discussion.

Injecting a higher dose of trust and policy alignment into their security and defense policy calculus and actions will be vital for both trans-Atlantic partners so that they can cope with a rapidly changing international order that is increasingly defined by great-power competition.
Conclusion: Forging a more clear-eyed trans-Atlantic bond

It is clear that the extremes of the Trump presidency, combined with longer-term trends on both sides of the Atlantic, have placed unprecedented stress on the trans-Atlantic relationship.

But the relationship has been given new life with the Biden administration—a life that has the potential to be even more robust than it was in the pre-Trump era. Still, the transition from further trans-Atlantic drifting to a renewed and repurposed relationship will not be easy. Much of the success of this exercise will depend on the outcome of a more nuanced, constructive trans-Atlantic dialogue on how the differing interests and approaches of America and Europe regarding challenges such as the ones explored above can be brought closer together.

The starting point of this exercise should be shedding the illusion that things can or should go back to what and how they were in the pre-Trump years. It is tempting to see a simple reversion to the previous status quo as a desirable outcome, but this is neither possible nor feasible. This means that intensive, copious work is necessary to repair the fundamentals of the relationship because a substantive part of the observed divergence is real, and most of the underlying issues are highly politically charged.

What’s more, though, is that acknowledgment of this would be incomplete without also recognizing that not all factors and developments currently ailing the trans-Atlantic partnership are due to Trump. Many key dynamics predated his presidency and were only accelerated and aggravated by him.

This implies the need to have a more clear-eyed approach that what is wrong and therefore what is required to repair and enhance the EU-U.S. partnership cannot simply be a reflexive antithesis to the Trump agenda. The ties between the two sides of the Atlantic run much deeper than the personality of one person or the impact of one person’s leadership, and therefore, significant introspection is needed on both sides of the Atlantic.
A unifying thread across many of the hard choices and real dilemmas that will likely emerge in the future will be that of finding the right balance: between Washington seizing the opportunity to see Europeans strengthen their willingness and capacity for action in a meaningful manner, and Europeans sustaining the strong U.S. guarantees, support, and protection without this continued relationship being seen as an open door for unbridled U.S. primacy in Europe.

By virtue of its resentment of the alliance, the Trump presidency actually forced the European Union to take a harder look at itself and undertake a much more unsparing analysis of its own strategic dependencies and its ability to exact change domestically and internationally. The produced policy results toward European autonomy—be it in the defense domain, as in the case of Permanent Structured Cooperation and the Defense Fund; technology, as in the case of the General Data Protection Regulation; or the economic domain—should therefore not be stifled but embraced and encouraged by Washington. The overarching goal should be for a stronger Europe to translate into a stronger trans-Atlantic partnership and footprint.

A final point concerning how to renew and repurpose an uncertain but unbroken partnership after nearly four years of regression and forced antagonism is this: Politics matter immensely for policies.

In today’s world, the fate of the trans-Atlantic relationship is dependent on the trajectory of progress on both sides. Looking forward, the bond between the United States and Europe can thrive or stagnate, flourish or fail, yet it is ultimately in the political arena where a more prosperous common future can be imagined and fought for. This means that for the partnership to prosper further, inertia is not an option. The responsibility to repair and renew the relationship is in our hands.
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The Foundation for European Progressive Studies (FEPS) is the think tank of the progressive political family at EU level. Our mission is to develop innovative research, policy advice, training and debates to inspire and inform progressive politics and policies across Europe. We operate as a hub for thinking to facilitate the emergence of progressive answers to the challenges that Europe faces today. Our ambition is to undertake intellectual reflection for the benefit of the progressive movement, and to promote the founding principles of the EU – freedom, equality, solidarity, democracy, respect of human rights, fundamental freedoms and human dignity, and respect of the rule of law.


The issue of inequality has been of growing importance for policy agendas. Milanovic (2016) provides an in-depth overview of how global income inequality might have declined in the past couple of decades, but inequality has increased within many countries—developed ones in particular. Blanchet, Chancel, and Gethin (2019) argue that if one takes a longer-term view, the top 1 percent pre-tax income share in the United States increased from 10.7 percent to 20.2 percent from 1980 to 2017. The equivalent European share rose from 7.8 percent to 11.1 percent within the same period. This points to the fact that while Europe remains substantially less unequal than the United States, both societies have converged toward inequality. See Branko Milanovic, Global Inequality: A New Approach for the Age of Globalization (Cambridge, MA: Harvard University Press, 2020); Thomas Blanchet, Lucas Chancel, and Amory Gethin, “Forty years of inequality in Europe: Evidence from distributional national accounts,” VoxEU, April 22, 2019, available at https://voxeu.org/article/forty-years-inequality-europe.


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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.

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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.