

[7.] PLENARY 3: AFTER THE ELECTIONS: THE FUTURE OF THE TRANSATLANTIC ALLIANCE (IN PARTNERSHIP WITH NEW DIRECTION)

The Transatlantic Alliance is the most important relationship for both Europe and the United States. The relationship between Europe and the US extends far beyond its utility as a strategic, defence alliance, covering a plethora of other areas.



TRADE, INNOVATION, INVESTMENT, CULTURE, AND A SHARED HISTORY ALL HELP TO ENSURE THAT THE TRANSATLANTIC RELATIONSHIP REMAINS CENTRAL TO THE FUTURE OF BOTH SIDES.

Modern History of the US-Europe Relationship:

The European Union, in part, owes its origins to the United States. In the aftermath of the Second World War, Europe was in a state of economic and political turmoil. The devastation wrought on the continent by totalitarian regimes left Europe struggling to recover. In April 1948, the United States began the Marshall Aid Programme, sending billions of dollars to Europe to support the reconstruction effort.

Thanks to the Marshall Aid Programme, countries that had been left with no industrial output were quickly put back on a path towards growth. Cities that had been levelled by fighting re-emerged. And new democratic institutions were established, ranging from political parties to media outlets to new universities.

Trade between Europe and the United States equally began to expand to levels not reached before the Second World War. An emphasis was put on the impact that trade between free nations could have on vastly improving the quality of life of ordinary people.

A year later, in April 1949, the North Atlantic Treaty Organisation was established, ensuring that the United States had a lasting place in European security, guaranteeing the new democracies from the threat of invasion by the expansionist Soviet Union.

For those nations that fell on the wrong side of the Iron Curtain and suffered for decades under the authoritarian socialist regimes imposed from Moscow, the United States worked with Western European allies to keep the promise of democracy alive. The US funded programmes like Radio Free Europe, Radio Liberty, Captive Nations Policies, and more to support opposition groups.

In 1950, French Foreign Minister Robert Schuman proposed the famous 'Schuman Declaration', calling for a Council of Europe, and the harmonisation of European coal and steel production. The United States supported the move, indeed a condition of Marshall Aid had been that it be used to coordinate cooperation between recipient European states.

This declaration led to the negotiations on the Treaty of Paris and the establishment of the European Coal and Steel Community. Whilst the US was not officially involved in the negotiations, they offered significant advice during the negotiations. The signing of the Treaty of Paris in 1951, and the Treaty of Rome in 1957 paved the way for the creation of the European Community and later the European Union.

Ronald Reagan, in partnership with leaders such as British Prime Minister Margaret Thatcher, Pope John Paul II, and German Chancellor Helmut Kohl, renewed efforts to support states that had been victims of authoritarian socialism and encourage their freedom from the Soviet Sphere. Each of these leaders made visits to occupied Central and Eastern Europe and offered hope to the oppressed that they might one day return to the West.

At the end of the Cold War, the United States stepped in once again to support the reconstruction of Europe. This time rather than supporting countries that had been harmed by fascism, it focused its efforts on support for those countries that had been victims of communism.

Significant American investment was encouraged into countries that had either thrown off the chains of communism, such as Poland, Hungary, the Czech Republic, and Slovakia, or to states that had reasserted their impendence from the Soviet Union such as Estonia, Latvia, Lithuania, and Ukraine. The United States, working alongside Western European partners, helped to boost the economies of these countries and welcome them politically back to the West.

NATO was enlarged in 1999 to welcome Poland, Hungary, and the Czech Republic – on US insistence against French and German opposition. And again in 2004, to welcome Bulgaria, Romania, Estonia, Latvia, Lithuania, Slovakia, and Slovenia. At the same time, the US supported EU Membership for these states.

The Transatlantic Relationship Today:

Today the Transatlantic relationship remains the most important partnership for both Europe and the United States. It is an Alliance rooted in common values, shared history, and the will to defend the rules based international order.

According to the European Commission, the United States remains Europe's number one bilateral trading partner, with trade reaching an all-time high in 2021 of 1.2 trillion Euros. In 2022, 20% of EU goods exported were sent to the United States. Likewise, according to the European Commission, when it comes to Foreign Direct Investment, the United States remains the number one investor in Europe.

This balance of trade works both ways. According to the European American Chamber of Commerce, European companies directly employ around 4.7 million Americans across the country. In 2020, the EU accounted for \$4.7 trillion of cumulative FDI in the US.

The United States also maintains an important role in European security. More than 100,000 US troops are currently stationed around Europe, engaged both in bilateral postings and NATO joint operations. Most recently, the United States has been working with European partners to protect shipping lanes south of the Suez Canal in the Bab-el-Mandeb Straits against Houthi missile attacks on trade ships.

Politics and the Tyranny of Small Differences:

The European Union and the United States have had a less than smooth relationship in recent years. EU policy towards the United States started to cool towards the end of the Obama Administration, as the US seemed to be pivoting away from Europe.

European leaders equally struggled when it came to the relationship with President Donald Trump. President Trump's more forward approach to politics and negotiations left a sour taste in the mouths of some in Europe – yet despite claims about withdrawing from the world, Trump increased American investment in Europe, and increased the number of US troops stationed on Europe's Eastern flank.

The current Biden Administration has also had a rocky relationship with Europe, in particular when it came to the issue of state aid and subsidies. The so called 'Inflation Reduction Act' was seen by many Europeans as creating an uneven playing field when it came to trade, as Europe simply couldn't compete with the levels of inward investment provided by the Federal Government.

The Biden Administration has also faced criticism from Central and Eastern European members of the EU and NATO for its slow response to the conflict in Ukraine, and the apparent hesitancy to send vital strategic weapons.

The reality however is that despite these differences, the Transatlantic relationship is perhaps now more important than ever. The common cause of Western security and cohesion should override the tyranny of small differences – especially when Russia, China, Iran, and their allies are expressing increasingly expansionist sentiments. The concept of 'Hemisphere Defence' should be revisited – and a renewal of old commitments to collective security should take precedent over political differences – regardless of who occupies the Berlaymont or White House.

After the Elections:

It is not yet clear what impact the European Elections will have on the agenda and composition of the new European Commission. There is possibility for a change in direction when it comes to foreign policy, especially if a more pro-Transatlanticist figure is put in charge of the External Action Service.

The European Parliament however could become more of an issue when it comes to good relations. An increase in representation from pro-Russian parties on one hand, and of America-sceptic parties on the other, could see support for a much-needed Transatlantic trade agreement stall.

The election of Donald Trump does not necessarily have to be a bad thing for Europe. He has, in many ways, already shown himself as an agenda setter when it comes to the relationship. His threat of withdrawing US support from NATO acted as a wakeup call for European countries to spend more on their own defence.

Equally, in his last term, the United States contributed a significant amount to ending dependence on Russian oil and gas in Central and Eastern Europe by supporting the creation of new LNG terminals and gas interconnectors as part of the Three Seas Initiative programme. The Trump administration's approach to European relations has focused on working first with the Member States and then with international organisations, this might not be such a negative strategy given increased polarisation within the EU.

On the other hand, the election of Vice President Kamala Harris could pave the way for some much-needed continuity at a time of crisis, especially if the overall composition the College of Commissioners doesn't change drastically, as is expected.

The point must remain, that regardless of small ideological disagreements, the United States and the European Union should continue to work together in the face of growing threats from China, Russia, Iran, and their allies.