

Policy Brief

No going back? A transatlantic cooperation agenda under Biden

Edward Knudsen, Policy Fellow

5 October 2020

If Joe Biden is elected US President in November, will he restore the pre-Trump era of transatlantic relations? While some Europeans may wish for that, it is neither feasible nor desirable, as Edward Knudsen argues in this policy brief. A changing geopolitical landscape and declining economic conditions mean that new solutions are needed. Instead of focussing on traditional forms of cooperation like liberalising trade and bolstering defence, the US and EU should work together to tackle inequality and corruption, address the climate emergency, and defuse geopolitical tensions.

#USselection2020
#USEUrelations
#TrumpBiden2020

To Europeans weary from the ongoing COVID-19 pandemic, rising geopolitical tensions, and the current economic downturn, the upcoming US presidential election may seem to offer a small glimmer of hope. Joe Biden, the [preferred candidate of many EU leaders](#), is ahead in the polls and has promised to make renewing transatlantic relations a cornerstone of his foreign policy. Europeans must avoid premature exuberance, however. Although optimism about November's result may be tempting, it risks two dangerous forms of complacency.

The first and most obvious is that while a Biden victory is considered the more likely outcome, it is far from guaranteed. One only needs to remember that Hillary Clinton was ahead by a similar margin four years ago to understand this. Second, [no US President can fully resolve](#) the underlying tensions in US-EU relations, let alone the structural problems within the EU.

Encouragingly, in her 2020 [State of the Union speech](#), European Commission President Ursula von der Leyen stated that Europe is “ready to build a new transatlantic agenda.” To fulfil this promise, Europe must proactively shape transatlantic relations, rather than wait for the US to lead.

This policy brief shows what a new agenda could look like under a slightly more hopeful Biden scenario. Although many disagreements would persist during his presidency, the former Vice President has laid out some [foreign policy agenda](#) items — notably his “foreign policy for the middle class” and a relatively ambitious climate plan — that would offer Europe the prospect of building a more productive partnership. To do this, it is vital that the EU goes beyond the traditional areas of transatlantic cooperation — namely bolstering defence and liberalising trade — and tackles the most pressing issues of the 21st century: climate change, globalised finance, corruption, rising inequality and the creeping loss of faith in democratic processes.

No going back

Biden famously pledged that America would soon be “back” during a [2019 speech](#) at the Munich Security Conference. This rhetoric, and his ascent to the Democratic Party Presidential nomination a year later, no doubt reassured Europeans who have spent years tiptoeing nervously around the volatile Trump administration. However, they would be unwise to hope for a return to Obama-era transatlantic relations.

Some Allies are more equal than others

Europeans should not mistake the former Vice President’s alleged preference for multilateralism with altruism—he will continue Trump’s hard-headed pursuit of American national interests, only this time through more consultative means. Biden can roughly be described as a “[liberal internationalist](#),” generally supporting military interventions, free trade, and US-led multilateral institutions. His foreign policy worldview has a decidedly [American-centric bent](#) to it: it is best if other nations accompany the US in building institutions and intervening overseas, but this should be done on American terms and under American leadership. He made this first-among-equals view clear in another 2019 speech, [promising](#) that “the Biden foreign policy agenda will place America back at the head of the table, working with our allies and partners”.

Despite Biden’s longing for a return to the past, domestic and international conditions are markedly different from even four years ago. US public opinion reflects this, showing an awareness of the costs of previous foreign policy decisions. Americans are [sceptical of the benefits](#) of free trade, [ambivalent toward international engagement](#), and [opposed to wars in the Middle East](#). Furthermore, given the economic and social costs of COVID-19, the breakdown in relations with China, the increasing severity of the climate emergency, the diplomatic damage wrought by the Trump administration, and declining economic prospects in both US and EU, policies that worked in the 2010s will not suffice in the 2020s.

Although a Biden victory is openly preferred in European policy circles, many realise that old tensions will linger and that new ones could arise. As German Defence Minister Annegret Kramp-Karrenbauer [said](#), “there are certain basic axes [of conflict] that will certainly not shift” under Biden. These lingering frictions could be compounded, rather than resolved, by Biden’s close relationship with EU leaders. It is domestically easy for Europeans to defy Trump due to his [low popularity](#), but may be harder to give Biden the cold shoulder if policy disagreements arise.

The “blob” always wins?

Europeans must also realise that Biden would not break with Trump’s policies—both those they favour and the ones they oppose—as decisively as his words might suggest. Despite the current administration’s rhetorical bomb-throwing and erratic decision-making, many of the tenets of US foreign policy have [remained consistent](#) under the current president’s watch.

For example, while Trump has reneged on many multilateral agreements and taken military action without consulting allies, unilateralism and militarism are [hardly unique](#) in US history.¹ Much like his predecessors, Trump is committed to [maintaining America’s military posture](#) abroad, even though the number of troops deployed in any given country may vary. Despite his talk of ending “endless wars,” the US actively conducts special operations and drone strikes in the Middle East (largely [Obama-era innovations](#)), continues to operate [hundreds of military bases abroad](#), recently deployed [more troops to Syria](#), and increased its already world-leading defence budget. Although the left of the Democratic Party may pressure Biden to withdraw from overseas entanglements, the chances of him deviating too far from the Washington foreign policy establishment “[blob](#)” [are remote](#).

Other aspects of US foreign policy are also unlikely to shift substantially. Although Trump threatened to leave the North Atlantic Treaty Organisation (NATO) early in his term, the US commitment to collective defence [remains as strong as ever](#) in practical and material terms. As with both Obama and Trump, Biden will [insist that NATO allies](#) spend more on defence, even as he shifts his focus farther east. This “[pivot](#)” to the Asia-Pacific at the expense of Europe is a secular trend, not just the result of Trump’s [antipathy toward Germany and the EU](#). Like his predecessors, Biden [will focus on China](#) as the US’s main competitor.

Economically, it is deceptively simple to paint Trump’s “protectionist” trade wars as the antithesis

1 Although it attracted less fanfare, President Obama took actions such as [undermining the International Criminal Court](#) and [withdrawing troops](#) from Europe.

of Obama's support of free trade agreements like the Transatlantic Trade and Investment Partnership (TTIP) and Transpacific Partnership (TTP). Just as Obama tried to use the promise of American market access to create new US-centred "rules of the road" in global trade, Trump's form of protectionism employs tariffs to [force other nations to obey a market logic](#) that benefits American firms—the same geo-economic goal, pursued through a different strategy. Biden may try to find a [middle ground](#) between the two approaches. Although he is known as a proponent of free trade and has criticised Trump's trade wars, Biden also says he remains [open to keeping some tariffs](#) if elected.

US-EU cooperation post-2021

With those caveats in mind, what can Europeans hope for if Biden is inaugurated on January 20th, 2021? First, Europe could work with him to return the US to existing multilateral structures. Biden has pledged to re-join the 2015 Iran Nuclear Deal (JCPOA), re-enter the Paris Climate Accords, restore the US relationship with the World Health Organisation and [work jointly](#) with other countries to combat COVID-19. Ensuring global health cooperation, pandemic preparedness, and [equitable vaccine access](#) is also vital and achievable.

Out with the old

However, to seize the potential of a new administration, Europe must move beyond the traditional forms of transatlantic cooperation—namely free trade and collective defence—and focus on new, more urgent challenges. Large-scale trade liberalisation and defence should be de-emphasised for different reasons.

On defence, Europe can expect relative continuity. Biden has pledged to reassure NATO allies on "[day one](#)" and Democrats, typically the party more sceptical of large military budgets, [voted against](#) a ten percent decrease in the massive US defence budget. Although calls for more even burden sharing—already present during the Obama presidency—will continue,² Europeans who support NATO have little cause for concern under Biden. The real challenges for the Alliance – notably the conflict between Cyprus and Turkey – are European rather than transatlantic.

On trade, the prospects for a sweeping agreement are extremely limited. The negotiations on TTIP already stalled under the Obama administration, with the proposed trade pact plagued by [dismal approval ratings](#) in both the US and Europe. The EU-Canada Comprehensive Economic and Trade Agreement (CETA) continues to [struggle through national parliaments](#). An EU-US deal would be even more contentious.³ While the EU can work to resolve some of the retaliatory tariffs from Trump, there is almost no chance of a "TTIP 2.0" agreement. Europe should therefore not expend unnecessary energy on this, especially considering that tariffs are already low and the European Union and United States already enjoy the [largest bilateral trade relationship](#) in the world.

Unlike many other multilateral bodies, the World Trade Organisation (WTO) is unlikely to fare much better under a potential Biden administration. Although Biden is less hostile to the WTO than Trump, multilateral negotiations have already been [stymied](#) for nearly two decades, leaving scant chance of any large-scale reform. Despite [some agreement](#) that new rules for digital trade and e-commerce are required, tensions between the US and EU have risen due to a longstanding trade dispute about [aircraft subsidies](#). In late 2019, maintaining an [Obama-era practice](#), the US blocked WTO appellate judges to the point that the appellate body can [no longer function](#). The US also recently lost two decisions [against China](#) and [the EU](#). These outcomes, combined with the pressure Biden faces to protect [domestic industry and workers](#), mean that it is [unlikely](#) that his administration will make WTO reform a top priority.

In with the new

If not trade and defence, what should US-EU cooperation focus on? Europe and the US face many of the same challenges, most of which are the result of internal factors, such as economic inequality, climate change, and the erosion of trust in democracy. Combatting these together is how transatlantic cooperation can be most productive.

² For example, the [2020 Democratic Party platform](#) stated that "we will continue to push NATO members to contribute their fair share."

³ Because CETA is a "comprehensive" trade deal, involving domestic regulation, it must be ratified at both a national and European level. Any US-EU deal would likely be the same, leaving it similarly vulnerable to national politics.

For example, addressing the massive **nexus of transatlantic finance**—and the corruption, financial instability, and inequality it perpetuates—should be a core priority for cooperation. As Edoardo Saravalle and Ben Judah have written, Biden can make combatting tax evasion and money laundering a cornerstone of his “foreign policy for the middle class.” To make this a success, Europe must meet the US at least halfway. The EU is riddled with tax havens, which [reduce state revenues](#), [facilitate kleptocracy](#), and rightly [undermine citizens’ faith](#) in democratic systems. The EU should enlist a Biden administration’s support in its [nascent efforts](#) to crack down on low-tax jurisdictions. Any prospect of reversing the unjust economic trends of past decades hinges on bringing systemically-important, yet privately-controlled, financial organizations like SWIFT under [greater multilateral oversight](#). Better [transparency over SWIFT](#)’s global financial messaging system would be invaluable for combatting corruption, money laundering, tax avoidance, and other illicit activities. As the two centres of global finance, the EU and US can work together toward this goal.

Under Biden, the most crucial item on the transatlantic agenda should be fighting climate change. The prospects here are not as bleak as they may seem. Given his otherwise moderate tendencies, Biden’s climate plan is [surprisingly ambitious](#). The [EU’s recovery deal](#) did not go as far as many climate scientists said was necessary, but it did take [important steps](#)—such as climate pledge conditionality for the Just Transition Fund, up to €550 billion in climate protection measures, and a revised Emissions Trading System. These recent signals show that both sides are beginning to take climate change seriously, but more must be done. As both the EU and US struggle with COVID-19-induced recessions, a coordinated [fiscal stimulus in green investments](#) can be used to foster long-run growth and reorient the transatlantic economy away from fossil fuels. Furthermore, any potential future trade agreements should be [made conditional](#) upon meeting strict climate change goals. If WTO reform efforts are made, the US and EU must work toward preventing that body from being able to [strike down local climate regulations](#).

Policies toward **China** will continue to divide Europe and the US. The EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, is wise to [warn against](#) viewing China as a military threat. Biden, however, has been trying to [outflank Trump from the right](#) on China, arguing that the US has not been “tough” enough. Europe should push back on this rhetoric if Biden wins in November, while moving away from its own [increasingly hawkish](#) position. For example, a proposed US-EU dialogue⁴ on China may further alienate the latter, exacerbating geo-political tensions. Instead, China should be included in trilateral dialogues, not least because its [world-leading renewable technologies](#) will be necessary for fighting carbon emissions on a global scale. If top powers do not work jointly to tackle climate change—sharing renewable energy technology and enforcing ambitious carbon targets—there is little hope of saving the world from catastrophe.

Looking back, looking forward

The 2020 US Presidential Election presents a vexing challenge for Europe. Rather than offering forward-looking visions, both candidates present duelling forms of nostalgia. Trump seeks to return to a mythical era of unchallenged global supremacy when America could call the shots unilaterally. Biden prefers to recreate the “end of history” era of NATO expansion, free trade promotion, and ideological certainty—led by a hegemonic United States with allies following closely behind. While neither viewpoint is particularly well-suited to current challenges, they are the two options on offer. Europe must find a way to navigate them in 2021 and beyond.

If Donald Trump wins a second term, Europeans largely know the script: tiptoe around particularly sensitive points of contention, rhetorically defy Trump on lower-stakes issues, and build up sovereignty while hoping for a better partner in the White House down the road.

If Biden wins, Europeans must avoid their own form of nostalgia. The chaos and upheaval of the Trump administration has left many Atlanticists longing for the foreign policy of the Obama era. Due to the changing geopolitical circumstances, this is not enough. A new transatlantic agenda has to go beyond alliance-building, trade liberalisation, and other traditional forms of cooperation. Europe should resist the temptation of joining US-led Cold Wars with China or Russia. Instead, it should build overlapping partnerships on specific policy areas that help

⁴ The dialogue, [originally proposed](#) by the EU’s Josep Borrell, was mostly ignored by the US at first. However, US Secretary of State Mike Pompeo later surprised the EU by [accepting the proposal](#) and outlining a list of grievances with China at a combative speech in Brussels.

alleviate each side's domestic problems. Joining forces to tackle challenges—such as inequality, corruption, and climate change—will prove fruitful to societies on both sides of the Atlantic, but will also require extraordinary efforts.

Regardless of whether Trump or Biden wins the election, the EU must avoid complacency in its pursuit of greater sovereignty. In either outcome, Europe will remain vulnerable to [US economic coercion](#). Furthermore, the US political system is unstable, and “Trumpian” politics will [outlast Trump](#). Substantial parts of the Republican Party are hostile to the concept of internationalism and increasingly embrace conspiracy theories and [anti-democratic rhetoric](#). US domestic divisions will increase the likelihood of erratic leadership abroad. The EU must be ready for continued—and escalated—upheaval. For now, Europeans can keep their fingers crossed (or their thumbs pressed) for Biden on the night of November 3rd. But if Biden prevails, they should be ready to get to work on January 20th, 2021.

Gefördert durch:



Bundesministerium
der Finanzen

Hertie School gGmbH • Chairman of the Supervisory Board: Bernd Knobloch • Chairman of the Board of Trustees: Frank Mattern • Academic Director: Prof. Dr. Henrik Enderlein • Managing Director: Dr. Axel Baisch
• Registered Office: Berlin • Trade Register: Local Court, Berlin-Charlottenburg HRB 97018 B •
Hertie School – founded and supported by the non-profit Hertie Foundation

Friedrichstraße 194
D – 10117 Berlin
Tel.: +49 (0)30/259 219 107

Online: delorscentre.eu
E-Mail: info@delorscentre.eu
Twitter: [@delorsberlin](https://twitter.com/delorsberlin)