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Thinking ahead for Europe

Trump's election foreshadows further divisions in Europe

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The victory of Donald Trump has sent shockwaves throughout Europe. Under President Trump, US domestic and foreign policies can be expected to become more volatile and less predictable. For years, Trump has fairly consistently espoused the view that the US has been taken advantage of by the free-riding of its so-called 'strategic' partners. With Trump, a US retreat from the world can be expected. Guarantees that have underpinned more than 70 years of post-war global order are melting into air. This will affect Europe, in particular in the fields of trade and security and call into question previously shared values.

On the economic side, Europe stands to lose more than the US from the attack that the Trump administration is likely to launch on the global trading system. Europe is more exposed to global trade than the US. European jobs would be threatened if emerging markets go into recession due to high tariffs imposed unilaterally by the US. The talks on TTIP might continue at the technical level, but an ambitious agreement is no longer possible. A narrow FTA would be more consistent with Trump's 'transactional' approach and it might be easier to ratify on the European side.

As far as security in Europe is concerned, however, the key questions are whether President Trump will stand by NATO or whether he will strike a grand bargain with Russia on spheres of influence in Europe. On the former, he is expected to announce cuts in the US contribution to NATO (reducing it from 45% to 37% of the total) and to insist that Europeans raise theirs. This is likely to lead to increased defence spending in many European countries and to higher ambitions on the part of some member states, led by Germany, to work towards more permanently structured defence cooperation to increase the EU's strategic autonomy, as a complement to NATO.

On Russia, any strategic overture is likely to embolden Putin's revanchism towards the 'borderlands', i.e. Ukraine, Georgia and Moldova. Poland, and the Baltic states (Estonia was let down by Trump during his campaign) will demand clarity from the new President as to where his allegiances lie. *Ruslandversteher* like Hungary's Viktor Orban will welcome renewed engagement with Russia. Such moves will undermine already-fragile intra-EU cohesion on sanctions against Russia over Ukraine.

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In the same way that Trump presented disenchanted US voters with their personal 'Molotov cocktail' to shake up the political establishment in Washington, anti-immigrant, anti-EU and self-proclaimed 'counter-revolutionary' candidates offer voters in EU member states the possibility to continue their march towards more protectionism and illiberalism. After the upset victory of populists in Hungary and Poland and the UK 'Brexit' referendum, mainstream political parties in Europe have been bracing themselves for the outcome of a string of key national elections and referenda, especially where these are highly personified.

The election of Trump will embolden populist parties and tendencies all over Europe, which must now be taken more seriously as potential governments. Given their euro-skeptic tendencies, this will make it even more difficult to achieve those advances in integration that the EU would need to undertake in order to show that it matters on the world stage. The European Union thus finds itself in a catch-22 dilemma: populist parties will not allow it to advance, but the same parties will also want to renationalise policies because of the EU's impotence and irrelevance.

On a more positive note, whereas most post-Second World War US presidents have campaigned on domestic issues, all of them have come to realise that Europe ended up consuming much more time and energy than they had anticipated. In an increasingly complex and contested world, Europe remains a crucial ally for the US on a wide range of issues. Both are status-quo powers interested in adherence to existing global governance institutions and international law, while seeking to maintain their strategic edge over the rest of the world by reinforcing transatlantic trade and security. It may well be that the cooler side of President Trump prevails. The best-case scenario for Europe is that Trump surrounds himself with senior figures from the Republican Party, who continue US foreign policy more or less unchanged on NATO, Russia and the Middle East.

But since Trump is not expected to devote a lot of headspace to Europe, the EU will have to do more on its own and it will need to engage much more pro-actively with its American counterparts whenever US influence is needed to protect European interests and attain commonly held objectives.

The European Union, as an organisation above and beyond its member states, has some influence on US policy and decisions, as demonstrated on issues such as privacy, competition policy and most recently, tax policy. But Europe really only has leverage on the US when EU institutions and member states act together. Europeans will have to learn how to do so without the British, who have so far acted as the natural bridge across the pond. It is highly doubtful that intra-EU unity will be more readily available as a result of the 'unruly' UK exit from the European Union. The spectre of Brexit, in combination with Trumpian appeal among populist European leaders, threatens further divisions within the EU, thus weakening the collective's stance.