MULTIPLE CHALLENGES FOR TRANSATLANTIC PARTNERSHIPS

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INTRODUCTION

"While there is no restart button for our relations, I am convinced that Biden's presidency will assure a fresh start."

Dita Charanzová,
Vice President and Member of the European Parliament.

The last four years have been turbulent for relations between the US and the EU. The change in administration in the US brings a change in US-EU relations, but it does not bring the relations back to what they were in the pre-Trump period. The impact that the Trump administration has had on the attitude and perception of the US by the EU cannot be undone or forgotten. Still, the Biden administration allows for the relationship to start building again.

The 2020 conference on Multiple Challenges for Transatlantic Partnerships focussed on discussing three key areas of the Transatlantic partnership: economy, policy, and security. There is plenty of overlap between these areas, and there always have been and always will be challenges facing them.

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ECONOMIC DIMENSION

"A very important topic for the whole of Europe, and the EU, is the urgent need to improve our trade relationship. We should say goodbye to any attempts of threats of trade wars, and we should work hard to liberalise our mutual trade relationship."

Andrej Babiš,
Prime Minister of the Czech Republic

1. TRADE

Together, the EU and the US represent roughly 1/3rd of the world economy. Everything the two do influences the rest of the world. They are incredibly important partners for each other, and a strong economic relationship between the US and the EU not only benefits the two of them, but the entire outside world as well. Individually they cannot stand up to China, but together they can. Now, during the pandemic, while the US and the EU see an economic decline and China sees growth, this is more important than ever. Under the Trump administration there was a lot of uncertainty and unpredictability, but the Biden administration seems to be a more stable and reliable partner for Europe.

2. CLIMATE CHANGE

"Together, the US and the European Union should pave the way and take a leading position on climate... China is not the champion of climate, neither is Russia. If the United States will be part, again, of the Paris Treaty, this will be an immensely positive effect."

Hans van Baalen,
President of the Alliance of Liberals and Democrats for Europe Party (ALDE Party)

This is just as much an issue of policy as it is an issue of economy. Climate change has a profound effect on all aspects of life today as we know it. The EU is one of the world leaders in combatting climate change, and the US has the potential to join them. President Trump's withdrawal from the Paris climate accord was the first remarkably serious blow to the US-EU relations. Combatting climate change should be viewed as an investment opportunity and not as a burden. Once investments begin to pour into green alternatives and the technology can advance rapidly, they will cease to be the more expensive alternative. Conversely, carbon-intensive methods of production will become more expensive, and if the EU and US can cooperate and reach their carbon-neutrality goals, they can begin to help other regions of the world become more green-friendly. The US and the EU are in the ideal position to become the world's role models for combatting climate change through mutual investments and support.

3. COVID-19 RECOVERY

The US and the EU can help stimulate each other's economies through mutual trade and investment. Under the Trump administration, this would have been a challenge, but there is plenty of hope that the future Biden administration will make it a less monumental task to accomplish.

4. US-EU TRADE

In 2019, the US and the EU were the largest trading partners of one another with an estimated $1.1 trillion in two-way trade of goods and services. Of this $1.1 trillion, the EU imported $468 billion ($268 bn in goods, $146 bn in services) from and exported $598 billion ($452 bn in goods, $146 bn in services) to the US.[1] The top three EU exporters of goods to the US were Germany ($127.5 bn), France ($57.6), and Italy ($57.3 bn), while the top importers of US goods were Germany ($60.1 bn), the Netherlands ($51.1 bn), and France ($37.7 bn) (figure 1).[2]

FIGURE 1: Value of goods exported to and imported from the US by the top EU-27 members and the UK in 2019

	Total of EU27-US goods trade	Germany	UK	France	Italy	Netherlands	Belgium
Exports to US	452	127,5	63,2	57,6	57,3	29,7	20,7
Imports from US	267,6	60,1	69,1	37,7	23,8	51,1	34,7

SOURCE OF FIGURE: Office of The United States Trade Representative[3]

The US and the EU are each other's largest trading partners, even without the contribution of the UK and under the America first economic policy. As such, it is always important for the two to be able to work together. Continuing this economic partnership will greatly assist in recovering from the economic problems caused by the COVID-19 pandemic.

5. BREXIT

The UK is no longer part of the EU, while in the EU the UK took the second spot behind Germany in terms of trade with the US. Still, in 2019 the UK would have been the second largest EU trading partner of the US if they remained in the Union (see figure 1). The UK and EU are presently in the process of negotiating a new trade deal, and have until January 1, 2021, to decide.

If they cannot agree on terms, thenstandard World Trade Organization rules will take effect. At the same time, in October of 2018, the Trump administration notified the US Congress of the intent to begin trade negotiations with the UK.

[1] *European Union.* Office of the United States Trade Representative, 2020. Available at: https://ustr.gov/countries-regions/europe-middle-east/europe/european-union.

[2] Ibid.

[3] Ibid.

The UK is negotiating on two very different fronts, and at least with the EU they have less than a year to come to an agreement. This is a minuscule amount of time to negotiate a deal on such a grand scale. To add some perspective, the Comprehensive Economic Trade Agreement between Canada and the EU took seven years to negotiate, and the Economic Partnership Agreement the EU has with Japan took four.[4] The UK is quite pressed for time on the EU side, and on the US side of negotiations they face the threats of tariffs over the decision to allow Huawei to participate in 5G development and the proposed tax on digital services.[5] In January of 2020, UK Finance Minister Sajid Javid said that negotiating a deal with the EU has priority over a deal with the US.[6] [7]

Many of the demands facing the UK, from both the US and EU, are going to be very hard to deal with. For example, the EU bans the import of chicken meat from the US as the meat is cleaned with chlorine. The EU is calling for the UK to keep this ban, while the US is asking for the UK to lift this ban.[8] Right now, the UK has very little leverage on either side. They need to conclude a deal with one side first, preferably the EU, as there is a relatively hard deadline, and then begin to have more concrete negotiations with the other while negotiating from the requirements of the concluded deal.

6. CHINA-US-EU RELATIONS

China is the second largest trading partner of both the EU and the US. When China and the US quarrel, the EU is inevitably stuck in the middle. The EU needs to maintain a balance to avoid a system where they are forced to choose between the US and China: "the EU sees trouble in both its major partners, and in their rivalry, but it also needs them both for its prosperity".[9] The EU is trapped between the two powers and the member states are being pressured to take sides. The relation between the EU and the US is "much more comprehensive and strategic"[10] while relations with China are "far more narrowly focused on the business opportunities".[11] The dynamic between these two relations means that to go along with the US's "two-track" approach attempting to separate the geopolitical from the trade, the EU has its own "two-track" approach: the US being the geopolitical track and China being the trade track. Europe should maintain this position in response to pressures from China and the US: the US is a strategic partner, and China is a business partner. This will not be an easy task in the slightest, especially with the US ramping up the pressure for the EU to turn towards them and away from China and Russia.

[4] Akhtar, Shayerah Ilias. *Brexit and Outlook for US-UK Free Trade Agreement.* Congressional Research Service, 2020. Available at: https://fas.org/sgp/crs/row/IF11123.pdf.
[5] Ibid.
[6] Ellyatt, Holly. *EU trade deal is the priority ahead of the one with the US, Britain's finance minister says.* CNBC, 2020. Available at: https://www.cnbc.com/2020/01/22/uk-eu-trade-deal-is-a-priority-ahead-of-one-with-the-us-sajid-javid.html.
[7] Javid would resign just a few weeks after making this statement following a dispute with Prime Minister Boris Johnson.
[8] Boffey, Daniel. *EU demand UK keeps chlorinated chicken ban to get trade deal.* The Guardian, 2020. Available at: https://www.theguardian.com/politics/2020/feb/25/keep-chlorinated-chicken-ban-to-win-trade-deal-eu-tells-uk.
[9] *Europe in the Face of US-China Rivalry.* European Think-tank Network on China, 2020. Available at: https://www.ifri.org/sites/default/files/atoms/files/etnc_report_us-china-europe_january_2020_complete.pdf.
[10] Ibid.
[11] Ibid.

RECOMMENDATIONS

- The EU and the US are economic partners, not rivals. They can, and should, work together to help each other recover from the economic situation caused by the ongoing COVID-19 pandemic through mutual trade and investments. At the same time, the EU, and other large partners of the US, should be aware that the Trump administration has paved the way for future America first type of approach to trade (i.e., a protectionist attitude). The EU should work hard to become more self-reliant, but not so much as to become isolationist and alienate the US entirely.

- The EU and US need to separate policy disagreements from trade. Disagreements over policies should be considered separate from mutual economic interests. They are each other's largest partners, with China lurking in the background, ready to swoop in and begin to impose its influence primarily over the EU. By not allowing the policy to get in the way of trade, the two can remain on good terms as strategic partners and ensure that China remains strictly a business partner and nothing more.

"We are not coming back to business as usual."

Jitka Látal Znamenáčková,
Deputy Head of the Czech Permanent Representation to the EU

Under the Trump administration, the EU was viewed as a rival in trade and as a security burden. The hope is that the Biden administration will view the EU as an ally and that there can be a return to the dialogue that has been largely abandoned in the past four years. While there may not be a complete 180-degree turn on certain geopolitical issues, like China and the Middle East, there are plenty of important policy issues that can be used as the basis for rebuilding the Transatlantic partnership.

1. 5G AND HUAWEI

The 5G question has been at the centre of much of the tension between the US and the EU, particularly Germany. The US has called for EU members to ban the use of Huawei technology in 5G networks, for fears of espionage, and while some have agreed and complied, others have not.[12] Rather than continuing to fight over the topic, like in the past four years, the Biden administration and the EU have an opportunity to renew cooperation and develop their own infrastructures.

2. JOINT COMPREHENSIVE PLAN OF ACTION (JCPOA)

President-elect Biden has made it clear that he plans to rejoin the JCPOA. President Trump's decision to leave the JCPOA was one of the biggest mistakes of his presidency[13], as it ruined the credibility of the US on international agreements, set Iran on the path to developing nuclear weapons by allowing uranium enrichment beyond what was agreed in the JCPOA, and greatly damaged US-EU relations.[14] Rejoining the JCPOA would not only help to rebuild EU trust in the US, but it would also help to reduce the risk of nuclear proliferation.

In May 2019, one year after the US withdrew, Iran announced that it would no longer comply with the JCPOA unless China, the EU, and Russia increased trade.[15] Fearing US sanctions, the three could not increase trade. Since then, Iran has begun enriching and stockpiling uranium past the JCPOA allowed limit. An IAEA report from March 2020 showed that Iran, since July 2019, has been enriching uranium to 4.5% (the allowed enrichment level under the JCPOA is 3.67%) and has stockpiled over 1000kg of uranium (300kg allowed).[16]

Again, the Biden administration does not have the luxury of restarting relations with the EU where they were under the Obama administration, but it has the opportunity to start rebuilding and repairing relations from their current point.

[12] Barnes, Julian E, and Satariano Adam. *U.S. Campaign to Ban Huawei Overseas Stumbles as Allies Resist.* New York Times, 2020. Available at: https://www.nytimes.com/2019/03/17/us/politics/huawei-ban.html.
[13] Mazhari, Mohammad. *Trump failed to achieve his Iran goals: Fitzpatrick.* Tehran Times, 2020. Available at: https://www.tehrantimes.com/news/454780/Trump-failed-to-achieve-his-Iran-goals-Fitzpatrick.
[14] Director General of the IAEA. *Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015).* IAEA, 2020. Available at: https://www.iaea.org/sites/default/files/20/03/gov2020-5.pdf.

3. THE MIDDLE EAST

The Middle East peace issue is yet another tumultuous problem. President Trump's Abraham Accords was by far his biggest achievement in the Middle East. However, his peace plan was viewed much less favourably by the EU and much of the world. This plan would see Israel annex the majority of the Jordan Valley. While it technically provides a two-state solution, it is heavily in favour of Israel and quite detrimental to Palestine, which would have little sovereignty. The EU has warned Israel against annexing parts of the Jordan Valley, and in response to Israel demolishing Palestinian structures in the Valley, they stated: "such developments constitute an impediment towards the two-state solution".[17] EU Foreign Affairs chief Josep Borell has said, "We cannot react to something (annexation of the Jordan Valley) that, from our point of view, is against international law".[18] The EU, and President-elect Biden, both support a two-state solution in which Palestine would have more autonomy than proposed under the Trump peace plan. President Trump's strong favouritism of Israel affected negotiations involving the EU on the Palestine question. A Biden presidency will likely see the US preference for Israel diminish, at least noticeably in this context.

Biden has praised the Abraham Accords, but also added that the US needs to address other issues in the region. From Biden's point of view, the main issue that needs addressing is Saudi Arabia, particularly its human rights abuses and the killing of journalist Jamal Khashoggi.[19] President Trump defended and protected the Saudi Crown Prince Mohammed bin Salman. After the killing, he sent the Saudis $8 billion worth of guided missiles and blocked a congressional resolution that would end US support for the Saudi led war in Yemen. Trump then went against his own intelligence officials, and the intelligence officials of many other countries, who believe that bin Salman ordered the killing of Khashoggi.[20] Biden, on the other hand, has said he would reassess the US-Saudi relationship as a result of the killing and end US support for the war in Yemen.[21]

[15] Scazzieri, Luigi. *A troubled partnership: the US and Europe in the Middle East.* Centre for European Reform, 2019. Available at: https://www.cer.eu/sites/default/files/pbrief_middle_east_10.7.19.pdf.

[16] Director General of the IAEA. *Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015).* IAEA, 2020. Available at: https://www.iaea.org/sites/default/files/20/03/gov2020-5.pdf.

[17] Stano, Peter. *Statement by the Spokesperson on the Israeli demolitions of Palestinian structures.* European Union, 2020. Available at: https://eeas.europa.eu/headquarters/headquarters-homepage/88156/statement-spokesperson-israeli-demolitions-palestinian-structures_en.

[18] Rettman, Andrew. *Luxembourg takes EU lead on Palestine recognition.* EU Observer, 2020. Available at: https://euobserver.com/foreign/147474.

[19] Ferziger, Johnathon H. UAE, *Bahrain Brace for a Chillier Biden Approach.* Foreign Policy, 2020. Available at: https://foreignpolicy.com/2020/11/08/uae-bahrain-biden-saudi-israel/.

[20] *Trump boasted he protected MBS after Khashoggi hit: Report.* Al-Jazeera, 2020. Available at: https://www.aljazeera.com/news/2020/9/10/trump-boasted-he-protected-mbs-after-khashoggi-hit-report.

[21] *Anniversary of Jamal Khashoggi's Murder – Statement by Vice President Biden.* Joe Biden, 2020. Available at: https://joebiden.com/2020/10/02/anniversary-of-jamal-khashoggis-murder-statement-by-vice-president-joe-biden/.

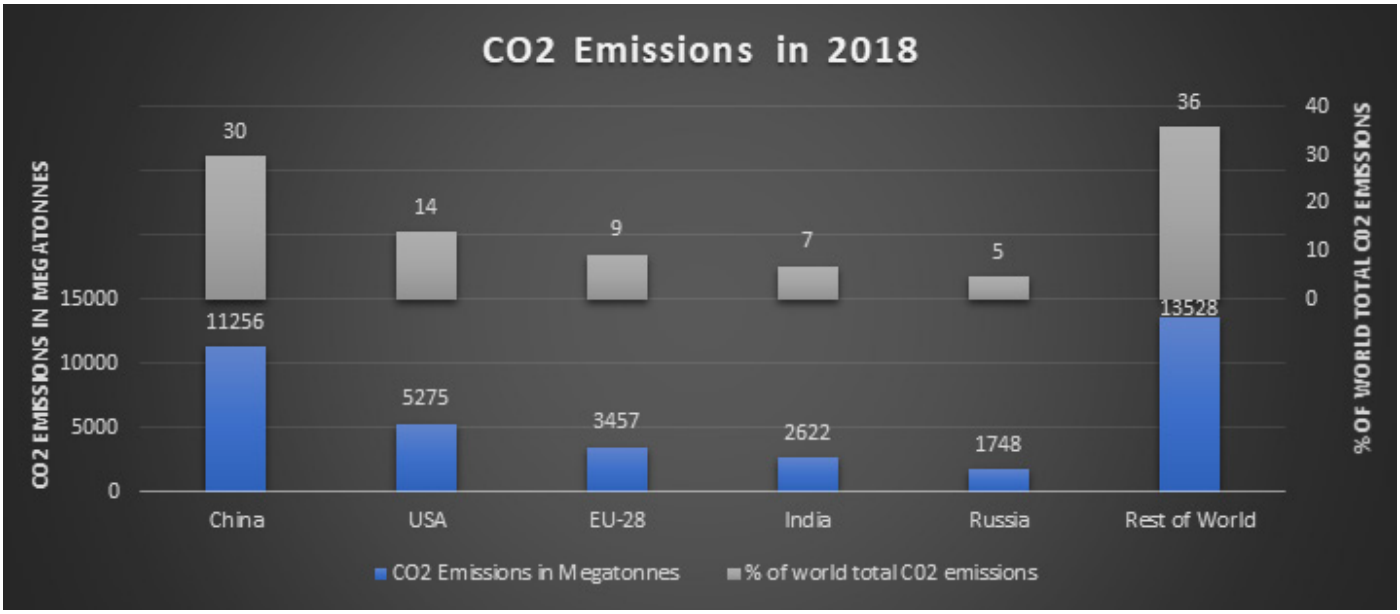
4. CLIMATE CHANGE (POLICY)

The US tends to be much more skeptical about climate change than the EU. Although the US was one of the main contributors to the 2015 Paris Agreement, President Trump in 2017 announced: "the United States will cease all implementation of the non-binding Paris Accord and the draconian financial and economic burdens the agreement imposes on our country".[22] President Trump did reassure that the United States will "continue to be the cleanest and most environmentally friendly country on earth"[23], but how remains unknown. The Trump Administration also regularly dodged conversations and questions on climate, leaving both the 2018 and 2019 G7 summits early to avoid discussion on the topic and the 2020 G7 summit, which was to be hosted in Florida before being postponed due to COVID, did not have climate change on the agenda.[24]

The EU, on the other hand, takes climate change quite seriously. The New Green Deal aims for climate neutrality in the EU by 2050. The EU and the USA are two of the world's largest CO2 emitters, behind only China (see figure 1). One of the policies of the New Green Deal that could cause a lot of contention with the US is the carbon border adjustment (CBA). The CBA essentially levies an additional tax on imported products based on the amount of carbon produced during the making of said products. This would mean that many products the US exports to the EU will face this tax if the US does implement an effective climate policy. Former US ambassador to the EU Richard Morningstar said of the CBA, "this could become the mother of all trade issues if not handled right".[25] US Commerce Secretary Wilbur Ross has said that the US will react to the CBA, possibly with punitive actions.

[22] *Statement by President Trump on the Paris Climate Accord.* The White House, 2017. Available at: https://www.whitehouse.gov/briefings-statements/statement-president-trump-paris-climate-accord/.
[23] Ibid.
[24] Holden, Emily. *Climate crisis will not be discussed at G7 next year, says Trump official.* The Guardian, 2019. Available at: https://www.theguardian.com/world/2019/oct/17/g7-summit-2020-trump-climate-crisis.
[25] Worland, Justin. *How Europe's Border Carbon Tax Plan Could Force the U.S. To Act on Climate Change.* Time, 2020. Available at: https://time.com/5793918/european-union-border-carbon-tax/.
[26] Gillian Tett, Chris Giles, James Politi. *US threatens retaliation against EU over proposed carbon tax.* Irish Times, 2020. Available at: https://www.irishtimes.com/business/economy/us-threatens-retaliation-against-eu-over-proposed-carbon-tax-1.4151974.

FIGURE 2: CO2 emissions in 2018



SOURCE OF FIGURE: Joint Research Centre[27]

Just like with the JCPOA, president-elect Biden has made it clear that he plans on having the US rejoining the Paris agreement be one of his first acts after he is sworn in as president. He has also proposed having electricity production in the US be carbon-neutral by 2035 and to reach net-zero emissions by 2050, much like the EU.[28] The EU is leading the way against climate change, and it is a very important issue for the EU and many other US allies. If Biden is able to get the US back on track with combatting climate change and rejoin the Paris Accord, it would inevitably help to improve the Transatlantic partnership and minimize the effect that a potential CBA in the EU would have on US goods.

RECOMMENDATIONS

- The JCPOA is one of the most important opportunities for renewed cooperation the US and EU have. The non-proliferation of nuclear weapons has been one of the most crucial issues in the world for more than 70 years. President-elect Biden has made it clear that the JCPOA is one of his top priorities, and the EU and the US will need to work together to bring Iran back into compliance, and lead renegotiations should the need arise. Cooperating on the JCPOA should be a priority for both the EU and the US.

- The EU should not fully revert its current attitude towards the Transatlantic partnership. Due to the America first policy the EU has had to become more self-reliant. There is a good chance that this will need to continue to some extent. While the US is an important partner for the EU and should remain so, the election proves that, despite losing, a Donald Trump type president is an extremely popular one in the US seeing, as he received 70 million votes. President Trump has paved the way for more America first type presidents in the future. The EU should recognize this and, while continuing to work with the US, be prepared for potential dramatic policy shifts from the US side of the Atlantic.

[27] *Fossil CO2 and GHG Emissions of all world countries, 2019 report.* Joint Research Centre, 2019. Available at: https://edgar.jrc.ec.europa.eu/overview.php?v=booklet2019&sort=des9.
[28] McGrath, Matt. *Joe Biden: How the president-elect plans to tackle climate change.* BBC, 2020. Available at: https://www.bbc.com/news/science-environment-54858638.

"The Transatlantic relationship isn't going to magically heal, the strategic environment has fundamentally changed and so has the relationship, and this just means that Europe cannot afford to become complacent, especially on defence."

Lauren Speranza,
Director of Transatlantic Defense and Security at the Center for European Policy Analysis

The current overarching issue in this regard is the EU member states and their NATO spending. This will continue to be a central issue under the Biden administration as it was under the Trump administration. By increasing defence spending, the other issues in the security field can be properly addressed as well.

1. NATO SPENDING

The EU member states cannot sit back on their defence spending. Under President Trump, the 2% issue (in 2006 NATO members committed to spending at least 2% of their countries' GDP on defence) took centre stage. Under the upcoming Biden administration, the EU member states have bought themselves more time to reach 2% GDP spending on defence, but the requirement has not disappeared. The EU member states need to invest more into defence, not just to meet the 2% benchmark but also to develop more advanced capabilities. Development of these more advanced capabilities goes together with the necessary transition that the EU member states need to make from a reactive approach to a proactive one.

For the Trump administration, NATO members not meeting the 2% guideline has been a large issue. In 2019, only 9 NATO members met the 2% threshold: USA (3.42%), Bulgaria (3.25%), Greece (2.28%), the UK (2.14%), Estonia (2.14%), Romania (2.04%), Lithuania (2.03%), Latvia (2.01%), and Poland (2%).[29] For 2020, while the year is not completed yet, estimates show that Norway will join the 2% club, but Bulgaria will leave it as their estimated defence expenditure for 2020 will be only 1.94%.[30]

2. ADVANCING SECURITY THREATS

The security issue has greatly evolved from the traditional way of thinking. These days, everything can be used as a weapon. It is an extremely challenging and complicated environment in which cybertechnologies, economy, infrastructure, and even information, have been weaponised and play an increasingly important role in security.[31] With Russia and China developing very advanced cyber capabilities and misinformation, the US and the EU can and should work together to catch-up and counter them.

Russian officials have compared the EU to a barking dog, and Russia to an elephant when it comes to cyber technology.[32] With the way technology is advancing, cyber threats are not only coming from other foreign government agencies, but also from civilian groups and individuals abroad and within the EU itself. Estonia in 2007, the Paris G20 summit in 2011, German Parliament in 2014, and the Petya malware in 2017 are just some of the more well-known events that show how the EU's defence against cyberattacks has not improved enough relatively to the advance of cyber technologies.

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[29] McCarthy, Niall. NATO Summit: T*he Countries Meeting the 2% Threshold.* Forbes, 2019.
Available at: https://www.forbes.com/sites/niallmccarthy/2019/12/03/nato-summit-the-countries-meeting-the-2-threshold-infographic/#583e06b21f2c.

[30] NATO: *Which Countries Pay Their Share on Defence?* Forces.net, 2020.
Available at: https://www.forces.net/news/world/nato-which-countries-pay-their-share-defence.

[31] Hansen, Flemming Splidsboel. *The weaponization of information.* Danish Institute for International Studies, 2017.
Available at: https://www.diis.dk/en/research/the-weaponization-of-information.

[32] Gressel, Gustav. *Protecting Europe against hybrid threats.* European Council on Foreign Relations, 2019.
Available at: https://ecfr.eu/publication/protecting_europe_against_hybrid_threats/.

The member states have differing capabilities and lack a coordinated framework to respond to cyberattacks, which makes an attack like the Petya malware from 2017, that affected Germany, France, Italy, and Poland even more challenging to combat.[33]

3. RUSSIA

Russia has long been at the heart of NATO security issues. While the EU and the US have largely been aligned in recent years on policy towards Russia, especially on topics like the annexation of Crimea, there is still some disagreement. This should not be surprising when we consider that even among the EU member states there is disagreement on how to approach Russia. Some EU members, like the Baltic states, call for strengthening sanctions and US military presence in Europe in order to lessen Russia's influence and reduce the chance of Russian aggression. In contrast, others like Germany and Italy call for a dual-track approach with Russia and increasing dialogues.[34]

A recent example is the disagreement over the Nord Stream 2 pipeline being built from Russia to Germany via the Baltic sea. While some EU members support it, like Germany and Austria, others are adamantly opposed to it, like Poland.[35] The US has applied sanctions to European companies that are assisting the building of the pipeline, something that Germany views as US interference in EU and German internal affairs, but that Poland views as an appropriate way to reduce Russian influence in Europe.[36]

President-elect Biden knows Russia very well. He was elected to the US Senate during the Cold Ward, visited the Soviet Union on more than one occasion, and as vice-president under Barack Obama regularly dealt with Russian president Vladimir Putin. Putin knows Biden, and Biden knows Putin. Putin likely understands that he will not have the freedom that he has experienced under the Trump administration, such as when it was revealed that Russia had been placing bounties on US troops in Afghanistan and President Trump called it a hoax perpetrated by the fake news media to discredit him even as his own senate was being briefed on the issue.[37] Putin also knows that the Biden administration will be much more predictable than the Trump administration was, which could be to his advantage.

Biden has named Russia as the biggest threat to the US, but he also believes that the answer is not to threaten and corner Russia. He believes that by exposing the corruption and human rights issues in Russia to the ordinary Russian people, and that the ordinary people will realise that the only way out of their situation is to be more open and engaging with the West.[38] He will likely try to portray the conflict not as the West vs Russia but rather the corrupt Russian officials vs the ordinary Russian people, with the West on the side of the ordinary people.

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[33] Ibid.

[34] Archik, Kristin, Shayerah Akhtar, Paul Belkin, and Derek E. Mix. *Transatlantic Relations: US Interests and Key Issues.* Congressional Research Service, 2019. Available at: https://fas.org/sgp/crs/row/R45745.pdf.

[35] *Germany, EU fume at US 'interference' over Russian gas pipeline.* The Local, 2019. Available at: https://www.thelocal.de/20191222/germany-eu-fume-at-us-interference-over-russian-gas-pipeline.

[36] *Germany 'firmly rejects' U.S sanctions on Nord Stream 2 firms.* Reuters, 2019. Available at: https://www.reuters.com/article/us-usa-russia-nord-stream-germany-idUSKBN1YP0CP.

[37] Sprunt, Barbara. *Trump calls Bounty Report a 'Hoax' Despite Administration's Briefing of Congress.* NPR, 2020. Available at: https://www.npr.org/2020/07/01/885909588/trump-calls-bounty-report-a-hoax-despite-administration-s-briefing-of-congress.

[38] Trenin, Dmitry. *Joe Biden's Foreign Policy and Russia.* Carnegie Moscow, 2020. Available at: https://carnegie.ru/commentary/83270.

RECOMMENDATIONS

- The EU members, who are also part of NATO, need to increase their defence spending to meet the 2% NATO threshold, if they have not already. This spending can be used to develop cyber defence capabilities and bring the level up to par with that of China and Russia. The cyber capabilities of China and Russia are, for the most part, far more advanced than those of the EU members. Warfare is changing rapidly, and cyber warfare is becoming an increasingly important aspect that the EU needs to address and improve upon.

- The EU should decide which route to take in dealing with Russia. Are they the evil tyrannical nemesis that can only be dealt with through strength, or is a soft approach aimed at rallying the ordinary Russian citizens against the corruption in their country a more effective one? Thus far, the strongarmed approach has not been working very well. Perhaps it is time to try a different approach, like one aimed at convincing the Russian people that the West is not an enemy but a partner.

CONCLUSION

"It is clear that our relationship and partnership remain as relevant as they always were. There are many fields where we can collaborate with the United States for a better world, digital being one of them. I am confident that recent developments will allow us to renew the partnership and tackle together joint challenges on the basis of our joint values."

Věra Jourová,
Vice President of the Europea Commission for Values and Transparency

Many of the challenges facing the transatlantic partnership are repairable, and many of them overlap. For example: if the EU members start to spend more on defence to reach the 2% NATO benchmark and use this new spending to improve their technological capabilities, they are simultaneously addressing the issue of the new challenging and complicated security threats that we see now. However, addressing the issues currently facing the Transatlantic partnership will not stop future problems from arising.

The biggest issue facing the future of the transatlantic trade is the same as the main issue encompassing the security, economic, and political dimensions—that of an America first type policy. Most of the problems over the past four years arose due to the America first policy and how it was applied. This policy did what its name implies and put the needs of America above all else. If the US was not the main benefactor of a deal, then there would be no deal. The Trump administration viewed things like the Paris climate accord and the JCPOA as detrimental to America because there was no direct, tangible, and immediate benefit to America, and as such, wanted no part in them. While President Trump may have lost this most recent election, he proved that his style of governing is still an extremely popular one in the United States and paved the way for future likeminded administration.

The EU needs the US, and the US needs the EU to reach their full potential. A complete isolationist approach is not the right one, but the EU should prepare itself for future and potentially drastic changes in how the US approaches the Transatlantic relationship. By becoming a little more autonomous, the EU will become a better partner for the US. A strong and autonomous Europe is not a replacement for the US, but it is vital to the future of the Transatlantic partnership.

"Both of our continents, Europe and [North] America, and all countries in these continents, have a mutually connected and a mutually mixed history. We share the same values, traditions, the same principles; we believe in democracy, freedom, liberties, and human rights. We should not forget that together we are also stronger."

Andrej Babiš,
Prime Minister of the Czech Republic

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