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The US-EU relationship in the Chinese Century

In the near future, the transatlantic relationship will be marked by the rise of China. And the EU needs to be ready

Read this article in German.

There have been times when the relationship between the US and Germany wasn't really affected by who was sitting in the White House. These days are gone. Trump's speeches in recent days give a rather unpleasant idea of what to expect in the coming months: with the Mueller Report having strengthened his position, the current US President will most likely polarise even more. Primarily, he will turn against domestic rivals, namely 'the media', 'the elites', and, of course, 'the socialists' (i.e. the Democrats).

Trump sees his tirades as nothing more than a justified response to the attacks the Democrats have launched on him. The (probably not quite so lasting) end to the Russian affair and the (not yet contractual) results of trade negotiations with China are unlikely to clear the air. In fact, if anything, they will lead to escalating tensions. Besides controversial areas of domestic policy such as immigration and border control, Trump will most probably turn to foreign policy issues like NATO and the trade deficit – and this means that he'll put Germany ever more so in the crosshairs.

With Trump switching into election campaigning mode, unsavoury jibes at Berlin will soon become standard items on his daily political agenda. We all know one of the most frequent accusations: Germany acts as a 'free rider' off the back of NATO and has other countries guarantee its security and pockets the money it should be spending on defence. It's not a really complex narrative and, as such, it's an easy one to tell to voters without a deep understanding of transatlantic defence arrangements. What's more, Germany, too, will be heading into an election, which won't make anything easier: politicians will be making waves on both sides of the Atlantic, and, whatever happens in the end, Trump's barbs

will cause further damage to US-German relations until the presidential election in November 2020.

Germany's China blindness

There's, however, no shortage of Republican congressmen and women who try to talk down the issue: 'Don't judge Trump on his words, but on his actions,' they say, with the misplaced optimism of people who simply haven't understood that words are, in actual fact, very important indeed when uttered by heads of governments – and that the way they are said is crucial, too. Their attempts to turn a blind eye to the unhinged and vengeful way Trump carries himself in the political arena is changing the way Germans see America – and the relationship between the two countries – for the worse.

Nevertheless, we should examine US-German relations beyond the effects of the Trump Circus in a wider context. We need to consider how the self-image of the two nations, how their concerns, problems, strengths, and weaknesses, as well as their expectations and future perspectives, play into transatlantic ties. This is, of course, proving to be complicated undertaking because there's no such thing as one single 'national perspective', especially in liberal, parliamentary democracies. But that doesn't mean we shouldn't try to find convergence. For this, we need to think about national interests as well as global politics and history.

In many respects, the US are one step ahead of us in Germany when it comes to their view of the world: US strategists are increasingly seeing a planet of two poles, a 'G2 world', in which Washington and Beijing are the opposing centres. Referring back to the ancient world, some in the US talk of the 'Thucydides Trap'. They think that a US-Chinese rivalry, similar to the Athenian-Spartan confrontation, could almost automatically escalate into violent conflict.

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This debate has yet to reach Germany. We're still still stuck in the European view of the Cold War: arms races and disarmament, Russia and Europe, the role of NATO in ensuring the security of the continent. The current debate about the Intermediate-Range Nuclear Forces (INF) Treaty, for instance, demonstrates that clearly: China played almost no role at all in the early stages of public discourse in Germany.

Trump is a superficial phenomenon

Germany still has its 'Europe glasses' on, and they aren't particularly suited for focussing on east Asia. As such, Berlin is expending its capacity for strategic thought on the 2%-target and the Nord Stream 2 gas pipeline without taking a global perspective. However, this is changing slowly, with Germany's transatlantic elite caught up in nostalgia and complaining about the decreasing number of *Transatlantiker* in the Bundestag. But nobody seems to notice that there are even fewer China experts!

At the beginning of this year, the Federation of German Industries published a paper on China that was widely praised – and begs the question: where are the nation's other institutions and think-tanks which are supposed to examine global challenges? Why does a business lobbying group have a position on China but not the Chancellery? The relationship between Washington and Beijing will define the coming decades across the globe and will, by extension, affect the US-German relationship, too –regardless of what Mr Trump decides to do next. When it comes to strategic thinking, Germany has fallen behind and has a lot of catching up to do.

If we look at the transatlantic relationship from the German perspective today, we need to ask the question what the US has to gain from negotiating with Germany as an equal partner. Is it advantageous for the US to offer security guarantees and trade with us? In the past, the post-war circumstances and the Cold War provided ready answers. Currently, Trump's 'America First' approach is providing quite a different response. Yet Trump is a superficial phenomenon. In fact, China is already shaping transatlantic relations because, in a G2 world, it isn't just the Germans who need a strong partner – it's the Americans, too. But what are the criteria on which this partnership should be founded? The answer: shared interests and common values.

We have clear shared interests in terms of security as well as global trade and foreign investment – not that these two spheres are always easy to separate (as the recent controversy around 5G mobile technology shows). Security questions are highly challenging, with military policy issues such as deterrence (both nuclear and conventional) just being one.

The US and Europe share a range of areas in which cooperation is mutually beneficial and in the strategic interest of both parties: with digitalisation, the danger of non-peaceful conflicts will increase in the future. While we are, at this point, very clearly dependent on the US, Washington will, in the medium term, have clear reasons not to let

Germany and the rest of Europe act outside of the existing alliance frameworks when it comes to issues of cybersecurity.

In trade and investment, it's easy to get lost in the current spats about tariffs on cars and soybeans. Taking the longer view, there's a shared interest in a functioning WTO regime which can limit the unfair advantages China gains from skewing the market towards its state-owned businesses and enforced technology transfers. And if the WTO has indeed run its course, then other multilateral systems will need to be installed so that countries with open market economies can club together. Here, too, Germans, Europeans as a whole, and the US have clear common interests.

Europe's ability to act on a global scale

Nonetheless, we need to resolve several thorny issues for creating a productive transatlantic relationship to the long-term benefit of both sides. For a start, Europe needs to become better at acting on a global scale. Only then, it will be taken seriously as a negotiating partner – and be able to offer anything of genuine value as part of a partnership. Making progress here will mean moving the debate on European integration forward by recognising that the Cold War is over. We need to ask ourselves as Europeans if the principle of 'subsidiarity' will continue to structure Europe internally – and how.

Moreover, we have to ask ourselves what we can do to empower the EU to act on a global scale. This is not about strategic autonomy or the idea of a Franco-German aircraft carrier. How about we start with finally taking the principle of sharing burden seriously? We also need a strategic debate about European security leading to the implementation of proper structures, which are ready to react when required: this means accepting majority decision-making in joint foreign and defence policy. Here, the question of whether we buy natural gas from Russia is less important than accepting responsibility for the security of Poland and the Baltic states.

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Apart from that, it's at least equally important to deepen the European economic and monetary union. In order to be accepted as a partner capable of making a contribution, we need to make progress in this sphere, too: European fiscal conservatism will need to step out from under its own shadow and Germany will have to be prepared to take on greater responsibility on a European level.

inappropriate response.

It was – and remains – a mistake wrong to limit the EU's global range of action entirely to security questions. The financial crisis, the free trade agreements of recent years, and considerations about how to screen investments from China have all showed that the ability to act on a global scale depends on economic integration. In this context, that will mean completing the banking union, creating a common energy market, and putting in place future-proof European competition law.

Europe needs to ready for a time after Trump

On the US side, however, a retreat into a phase of isolationism would be a serious blow to transatlantic cooperation. Even before the advent of Trump, there was a hard core of isolationists within the Republican Party and the Democrats are by no means free of isolationist tendencies. The battle for the soul of American foreign policy is still raging, and Europe can only exert an influence on this debate if it is able to act as one.

In the long term, though, it's simply not enough to pursue joint interests; rather, we have to uphold the values of the West and continue to thrive as liberal democracies. Who, if not the members of the transatlantic alliance, would be able to stand for these principles across the globe.

That doesn't mean, like in the past, trying to turn other countries or regions into democracies; it means focussing on our own strengths and driving trade, foreign investment, and the reform of the monetary and economic union in accordance with our own principles. The fact that Donald Trump is president needn't stop us from making a serious attempt to reform the WTO, and as such, substantial political efforts should be made to keep talks between the EU, the US, and Japan going.

In the decades to come, the transatlantic relationship will be marked by the rise of China – a development for which Trump's 'America First' strategy will prove to be a wholly inappropriate response. If this recognition does dawn on the White House, then we Europeans should be ready to function as potential (negotiating) partners in all global strategic questions concerning the future. What's more, this moment of realisation may come sooner than many expect it to: in November 2020, US voters will have the opportunity to change the person occupying the White House. And if they do, then we Europeans really ought to have done our homework.



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