

If the citizens of all the major countries of the European Union (except Poland) had voted in the US Presidential election, President Trump would have been trounced and President-elect Biden would have won in a landslide with a majority of 2 to 1. The withdrawal from the Paris Accord is the least popular decision of President Trump, and his rejection by most Europeans has to be read in the context of a deterioration of the overall image of the US in Europe: the percentage of Germans who have a positive view of the US had reached a low of 22% before the election!

The picture is more nuanced when one looks at governments, political elites, and smaller countries. The Slovenian Prime Minister famously tweeted congratulations to President Trump for his re-election, and Hungary has not hidden its support to Trump, while leaders of the European extreme right have embraced the conspiracy theories circulating in the US. Trumpism is alive in Europe even if mainstream politicians hope that the defeat of Trump heralds the ebbing of the populist wave worldwide.

Attention is now shifting to the impact on Europe of a Biden administration. Much has been made of the fact that the United Kingdom could no longer expect a privileged trade relationship with the United States, and that Washington would strongly object to any UK position that could jeopardize the Good Friday agreement on Ireland. That in principle strengthens the hand of the European Union in a Brexit negotiation which is reaching its final stages.

As for the European Union itself and its member states, instead of preparing for the trade war that had been announced by Trump, they expect a more cooperative and predictable relationship with a Biden administration, but do not have high expectations. There is concern that the administration will be constrained by a Senate that is likely to remain Republican, and more generally by a Congress which will be driven by domestic priorities sometimes clashing with European interests. In a continent that has been impacted by a rapidly changing strategic environment in its neighborhood and beyond, many fear that a Biden administration will be an attempt at restoration when transformation is actually needed.

In the security arena, the vocal support that Biden is likely to give to NATO will reassure Europeans, but with it will come the usual American complaints for a more equitable burden-sharing by Europeans and an increased defense effort. While in recent years, most European countries have increased their defense outlays, the percentage of the GDP allocated to defense remains below 2% for a majority of countries, including Germany.

France, which had been using the presence of Trump in the White House to push for European strategic autonomy, may worry that a return to normalcy will make Europe more complacent. Germany and France have different reasons to increase defense spending: Germany to prevent US disengagement by showing European commitment; France to prepare for a possible US disengagement. Different motives would not matter too much if the two countries are equally committed to a greater defense effort, but Germany, although it

has increased its defense spending significantly, is still lagging behind, and these different perspectives will have implications for the European defense industry.

In a context of post-COVID budgetary pressures and likely retrenchment in the civilian aerospace industry, the need to protect the European defense industry may create tensions between US and Europe, as US companies will try to access the European defense fund through their European subsidiaries while the US government will put more pressure on European countries to buy American. Divisions will appear in Europe between those countries that have a significant defense industry and those that don't.

Beyond defense issues, while the transactional and value-free approach to international affairs of Trump worried Europeans, the affirmation of US leadership of a camp of democracies, exemplified by Biden's plans to hold a Summit of Democracies, will be perceived as a throwback to the past, in a world where most Europeans want to avoid the fault-lines of "us against them", and would rather encourage a multiplicity of ad hoc arrangements that blur divisions and make the international system more flexible.

The US' China policy will in that respect be a test case. Europeans are aware that it will be a priority of the US administration and that it is an area where a bipartisan consensus is emerging. European attitudes towards China are closer to the US than they were a few years ago, reflecting in particular changes in Germany, which sees China as a competitor as much as a market.

These shared concerns will be a good starting point for US-Europe discussions on China, but Europeans will resist being drawn into a purely confrontational posture with China and will want to balance a more robust posture on trade and trade-related issues (foreign investment, intellectual property, public procurement, subsidies to state enterprises etc) with cooperation on issues of shared concern such as climate change. They will be looking for allies around the world to support a multifaceted approach to China.

An extension of START and a resumption of arms control will be welcome in Europe, but there will be concern that the China priority of the US will complicate progress in that area with Russia. For European countries previously in the Soviet orbit which are often courted by China, Russia will remain the top security priority, and they will look for signals from Washington that the China priority does not come at the expense of European security.

On pending trade issues (unilateral tariffs imposed by the US administration), Europeans will look for their prompt lifting; cases pending before the WTO will be seen as a test of US commitment to multilateralism: will the US take action to end the present paralysis of the appellate body? The digital economy will be another test, as the Europeans look for an OECD brokered compromise that would allow the Europeans to tax the benefits of the "GAFA" generated in Europe, and as they enforce privacy laws which are much more stringent than their US equivalent.

The extra-territorial implementation of US law, and the secondary sanctions applied to companies that violate it, will be another potential irritant. While France, Germany and the EU will work with the US to revive the JCPOA, and while Iran itself may be unwilling to rejoin the agreement, the multiple sanctions imposed by the US on Iran – many unrelated to the

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nuclear issue – will further complicate the resolution of the issue, especially if a Republican dominated Senate reinforces the strongly anti-Iranian views of the US Congress as a whole.

Each of these issues is in itself manageable, especially with an administration that will want to emphasize diplomacy and reject the confrontational tone and unilateral moves of the Trump administration. Most of the senior officials whose names are mentioned and Biden himself are well known in Europe, which suggests that the early months of a Biden administration will be greeted with relief.

But the accumulation of difficult issues that a weak president may not be in a position to resolve, despite his long experience in the Senate, may eventually generate some frustrations – especially if the world economy doesn't pick up quickly and governments are confronted with sluggish growth and insufficient fiscal revenues that force them to prioritize domestic issues. On the other hand, President Biden could get lucky if a post-vaccine US economy booms, strengthening his position at home and creating a better context for Transatlantic relations.



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