

The Future of Transatlantic Relations

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Key Takeaways:

- Healthy transatlantic relationship vital to interests of both sides & to future of international system
- But foundations of modern relationship established after WWII eroding
- Relationship needs to be updated for new geopolitical context
- Prospects for successful reboot mixed



Pillars of Modern Transatlantic Relationship

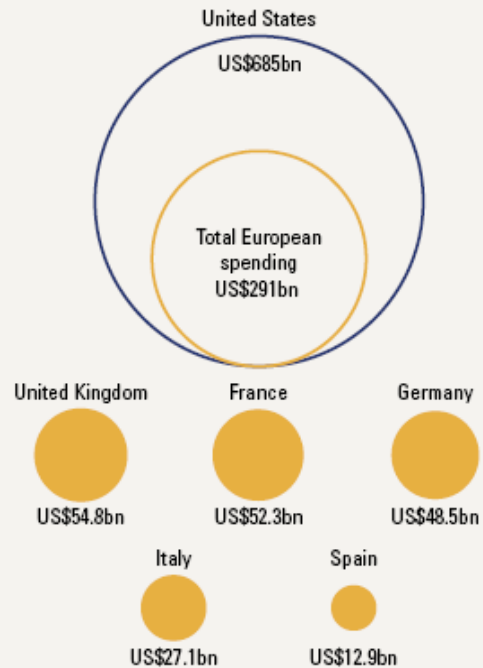
- In 19th century, US foreign policy: unilateralism, non-entanglement in Europe, disdain for European problems
- After WWII, new calculation: alliance needed to maintain balance of power & prevent Soviet domination of Eurasia
- US embraced multilateralism & military alliances
- Alliance bolstered by growing appreciation for overlapping history & culture (fueled by globalization)



- Balance of power in Eurasia no longer chief US concern
- Focus = competition with China
- Chinese economic & military power formidable & growing
- US declining relative to other powers & pivoting to Indo-Pacific
- Significant internal problems eroding US willingness & ability to provide for European security (including resurgent anti-European sentiment on US right)
- EU has economic tools & latent military might necessary be global power

Post-1945 Pillars of Transatlantic Alliance Eroding

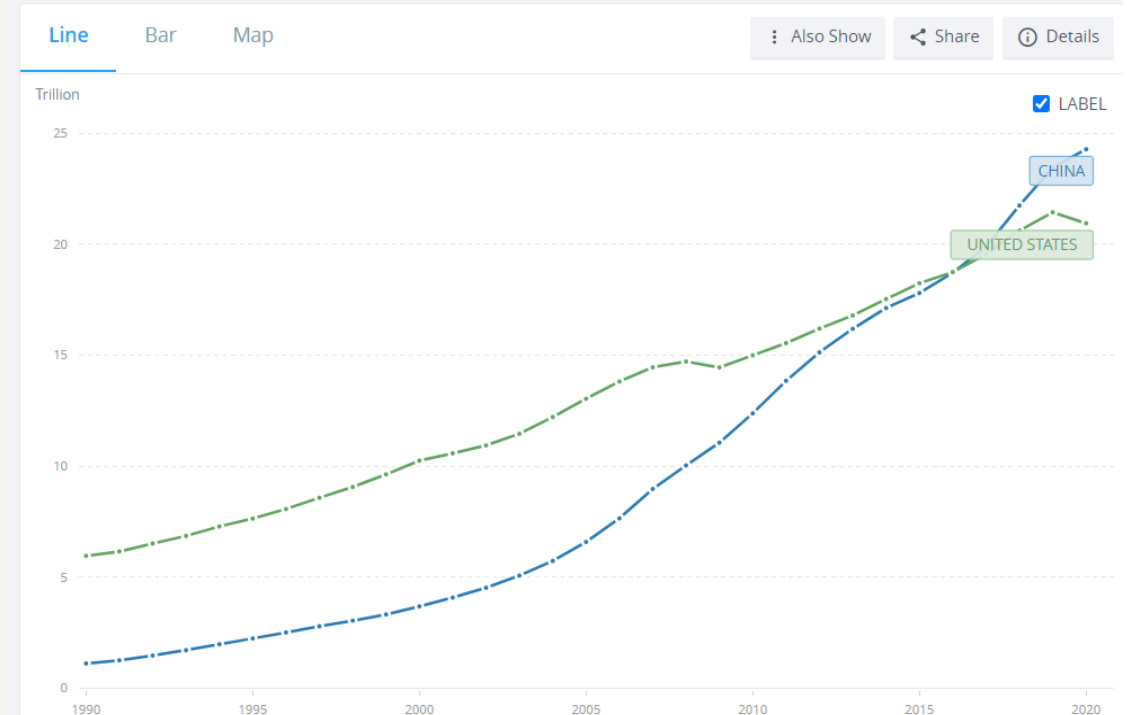
Europe defence spending, 2019 – top 5



GDP, PPP (current international \$) - China, United States

International Comparison Program, World Bank | World Development Indicators database, World Bank | Eurostat-OECD PPP Programme.

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- Sources: World Bank & IISS Military Balance 2020

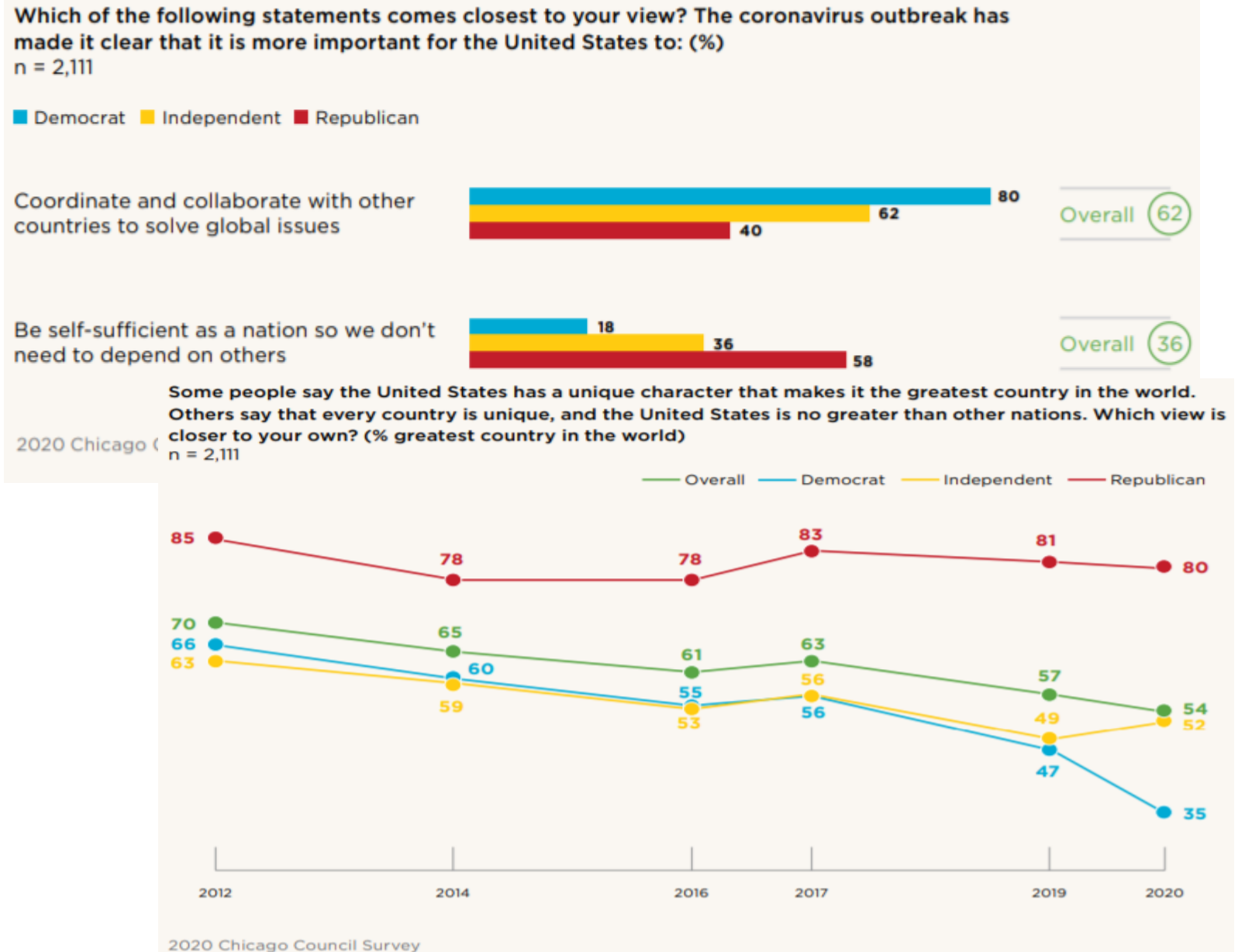
Implications of Changing Transatlantic Alliance & Pivot to Asia



- US still plays crucial role in upholding aspects of international system vital to European interests
- But less consistent: shrinking resources, more nationalist-unilateralist & Europe lower priority
- Pivot to Indo-Pacific means smaller US military presence in Europe (300k → 65k → ???)
- Europe will need to do more to (a) deter Russia (b) maintain regional stability

- Inconsistent tendencies: (a) want Europeans to do more, but (b) worry that would harm US interests
- 1990s US opposed CSDP: (a) viewed as a threat to NATO (b) dismissive of European capabilities & determination
- Late 2000s US policymakers began to understand need: (a) to shift focus to Indo-Pacific (b) for European help
- Most US policymakers now understand desirability of strategic autonomy
- US right hostile to European project and views European states as vassal states who should help with US priorities (China) but otherwise keep quiet
- Trump administration sought to undermine EDF/PESCO

How US Views Europe's Global Role



Good

- US accepts strategic autonomy & global Europe
- Democratic institutions strong on both sides
- Common approach to China
- Equal geopolitical partnership & Europe can defend itself

Bad

- US oscillates on strategic autonomy & global Europe
- Democratic institutions survive but weakened
- Inconsistent approach to China
- US remains dominant partner & European defense capabilities remain underdeveloped

Ugly

- US rejects strategic autonomy and global Europe
- US slides into illiberal democracy & Europe paralyzed by internal divisions
- China's rise continues autocratic trajectory; US & EU can't do much due to internal problems

Source: Pathe Thuis

Likelihood of Rebooting Transatlantic Relationship

