



# TRANSATLANTIC VISION 2030 Renewing the partnership

Stimulating debate through thought papers

## RESTORING A TRANSATLANTIC SENSE OF PURPOSE

ROBIN NIBLETT, *Director, Chatham House*

### Executive Summary

For over 70 years, the transatlantic community have been united in their commitment to protect and sustain the freedoms and opportunities offered by liberal democracy. They came together to confront the danger of the Soviet Union in the wake of the Second World War, and the scale and imminence of this threat always served as a united force. As communist regimes gave the way to new democratic regimes in central and eastern Europe and across the world, they have been allowed to expand and promote open market principles globally through the WTO and more proactive Bretton Woods institutions. The benefits of sustaining a strong relationship into the following decade are incontrovertible.

### Challenges

#### Geopolitical rivals: China and Russia

- Russia continues its efforts to roll back the spread of democracy and open markets around the world and even trying to undermine US, European democratic political institutions, including through attempts to influence elections, using bots, micro-targeting and disinformation. Yet, a change in Russia's domestic and foreign policies will come from inside and not as a result of external pressure. In the meantime, **living with Russia requires credible means of deterrence against the escalation of its interference. This deterrence will be most credible if it is sustained transatlantically.**
- **China is a rival with which each country must engage as well as coexist.** China's rise poses a most complex challenge to the transatlantic relations. As a one-party, authoritarian state, its interests are prone to clash with those of a democratic transatlantic community. US and China are trapped in a deepening security dilemma and are in direct competition, and China is promoting its political and economic model beyond its shores, building up its military capacity and seeks to build support in the UN for a state-centric approach to global governance, one that downplays the importance of the tenets of the respect for human rights. Unless the transatlantic community acts together, China will gradually fracture their capacity to ensure that international institutions, economic rules and global norms, remain aligned with the liberal democratic values.

#### Fragile neighbours and the spread of more unaccountable systems of government

- Sub-Saharan Africa will be one of the theatres of rivalry between powers. Its population is projected to double in the next 30 years, added the impacts of climate change, technological disruption and popular political awakening, levels of violent extremism could grow as will flows of illegal migration. These risks concern Europe first and foremost. The same rivalry and challenges concern the Middle East region, Latin America and Asia.

## The predominance of the TA in international affairs will not necessarily persist for into the 21<sup>st</sup> century.

- By 2030, China and India military spending is projected to have risen 200%, making them the second and third military spenders. By 2028, China is expected to overtake the US as the largest global economy and the US-EU's contribution to world GDP will decrease from 31% in 2016 to 21 by 2050.

### Main systemic challenges: climate change and technological disruption

- **Climate change will have a major impact** on advanced European and North American economies. Although their relatively high standards of wealth and their capacity for technological innovation provide them with the resources to adapt, the costs will be severe.
- **Technological advances are both an opportunity and a threat.** The shift from coal fed power to gas to renewables, like the shift from fossil fuel-powered transportation to electric vehicles will transform the sorts of human skills needed, create new jobs and destroy others;

### The hurdles within

- Despite the US administration's combative approach to the EU and disdain for transatlantic and multilateral institutions, several surveying **public opinion** are pointing out that there is continuing support in both the US and Europe for NATO and close US-European economic cooperation. Moreover, **the actual US policy has not always followed the rhetoric** of high-level politicians. In the case of NATO, rather than weakening NATO, the US administration has increased its troop presence in continental Europe as well as its financial support for forward deploying military equipment and has overseen a tightening of the economic and political pressure on Russia for its intrusions in Eastern Ukraine.
- There is also **a growing alignment between US and European attitudes in confronting China's** domestic protectionism and the predatory behaviour of some of the China's emerging multinationals. This alignment is visible in joint US, EU, Japan 's effort to reform the rights of developing countries within the WTO which are unfairly benefiting China.
- President Trump was able to withdraw from the **JCPOA with Iran** and from the **Paris Agreement** because Obama's administration was unable to secure its approval as formal treaties.
- Growing **internal divisions in Europe** over a number of important policy questions like the US opposition to Nordstream II gas pipeline which is widely shared among central European governments as well as the European Commission, President Trump off-the-cuff remark that Russia should be invited to rejoin the G7 and that are benefits from a détente with the latest finds echoes in European capitals and consternation from others, and some European Member States see Trump's mantra of "America First", his opposition to unfettered immigration and disdain for multilateralism as a welcome support for national sovereign decision.

### Building a stronger European pillar in order to be more appealing and valuable partner to an increasingly sceptical and inward-looking US.

Together they constitute 1 billion people, slightly below 15% of the world population but account over 50 % of world GDP, together, their military budgets are equivalent to 57 %of the global total, and they contribute 85 % of total official development assistance.

- It is almost certain that the **price of carbon** will increase radically in North America and the Europe by 2030 thus a need to **impose border adjustments to the price of imports**, in order to avoid rising global trade wars. A common **transatlantic approach** which incorporate other nations is needed.
- As the **transfer of personal data** across borders will rise exponentially. Only the transatlantic community can lead in **designing and propagating rules that would incorporate protection of personal freedoms alongside maximizing the opportunities for economic progress**.
- The European Commission should sustain a **forward-leaning approach to multilateral economic integration and continue developing modern trade agreements and strengthen the EU's hands in WTO modernisation**.
- **Europe should sustain the recent increase in their levels of defence spending**, and invest in modern, flexible forces and equipment capable of military projection as well as defence, strengthen capacities to respond to cyber and hybrid threats, hardening vulnerabilities in its critical infrastructure - especially its space assets, in order to address the long-standing US frustration with the uneven burden of financial and military responsibility **.Whoever is in the White House, US will be better ally to a stronger Europe, and a stronger Europe will result in a stronger transatlantic alliance**.
- **Europe need to avoid letting third countries become a long-term structural obstacle to future transatlantic unity**. Europe's economic dependence on the Chinese market far exceeds that of the US, and as Europeans have few interests in the Asia-Pacific region, they don't treat **China's rise** as a strategic security risk – two elements that create an imbalance in interests. Europe remains divided over the best way to confront Chinese behaviour and how to position themselves towards the Belt and Road Initiative and inclusion of Chinese companies in key areas of European technological infrastructure like 5G infrastructure. Division towards **Russia** is also deserving Europe and the transatlantic relationship - a **pan-European approach to energy security and policy** and the investment in defence spending are key.
- **Supporting democracy around the world** – Europe should sustain the relations with our democracies around the world that have been damaged by the rhetoric of the White House but which are likely to be important allies – New Zealand, Australia, Japan, South Korea and play important role in upholding our values and principles in a more competitive world. Europe should avoid back-sliding away from accountable governance In Brazil, Mexico, Indonesia.
- There is a need to **consolidate non-governmental linkages** between the Atlantic - engage constructively with other US counterparts, civil society, academics and business communities. This is all more important as we are sharing similar social challenges: ageing population, overburdened welfare programmes, high levels of immigration as well as similar popular concerns over climate change, technology.
- **UK should remain engaged after Brexit as an integral partner in a more autonomous and powerful Europe** as the UK shares the same set of risks and will be continue be an integral contributor to the European security, either through NATO or in coordination with the EU.