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## Time Is Almost Up

The transatlantic partnership has long neglected structural weaknesses. Unless corrected, they could soon doom it.

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2025 will open a new chapter for the transatlantic relationship. The outcome of the US presidential election will accelerate ongoing changes in the country's approach to Europe, while a rapidly shifting security environment will compel the partners to reform their alliance. The next year presents an important opportunity to do this, especially as the terms of the European Commission and the US president coincidentally align.

When Joe Biden was elected four years ago, many European leaders expressed the hope that, in the president's words, "[the US is back](#)" in the transatlantic relationship. The change of administration in Washington could have constituted an opportunity for the transatlantic partners to "[seize the Biden moment](#)", but critical reforms never took place. Instead, the Democrat's election relieved many European governments, prompting a continued reliance on muddling through critical challenges rather than developing European responses to them. The US administration, for its part, did not sufficiently pressure Europeans to play a greater role in world affairs. Russia's invasion of Ukraine forced Europeans and the EU to respond with costly and unprecedented measures, but these policies remain to this day largely disconnected from a broader political discourse of the war as an "existential" threat to the future of the European project. Europe's avoidance of such big-picture issues has negative implications for its ties to the United States.

The current transatlantic relationship suffers from four major challenges that, unless tackled in the next four years, could lead, at best, to its dysfunction and, at worst, to its implosion. These challenges are: security-related structural problems, intra-alliance competition and policy toward China, a European gamble on time, and a widening power gap between the United States and Europe.

## Transatlantic Security Reform: Ukraine Has Muted The Debate

The swift, coordinated, and strong reaction of the United States and Europe to the war in Ukraine is undoubtedly the most significant moment of transatlantic unity in recent years. US military and strategic leadership, and Biden's personal involvement in overcoming [Congressional resistance](#) to supporting Ukraine, will constitute the cornerstones of his legacy in Europe. The continent has also done its part, providing significant military and humanitarian support—at times even [surpassing that from the United States](#). [All this has](#) brought the transatlantic partners closer together while [bolstering public approval of NATO](#).

Sustaining unity on Ukraine, although an outstanding diplomatic and political success, has, however, overshadowed a more complex picture of the transatlantic relationship. The war's outbreak put American security guarantees for Europe in the spotlight, but more contentious policy issues have been neglected. Prioritizing Ukraine over other aspects of the transatlantic relationship was justified, but it prevented the allies from preparing for potential future crises. This is unsustainable and dangerous.

Persistent security-related structural problems may seem paradoxical. After all, [23 of the 32 NATO allies finally invested, as pledged a decade earlier, at least 2% of GDP in defense in 2024](#). The EU has also stepped up its efforts in this area. Nevertheless, two underlying problems fester. First, Europe's chronic capability shortage means the United States still contributes more than [65% of the NATO allies' total defense spending and 38% of their military personnel](#). NATO's so-called European pillar remains underdeveloped, and Europe cannot defend itself on its own. Second, European and transatlantic security suffers from a lack of imagination. The Biden administration has demonstrated that it can defend the European security order, and Europeans have unquestionably overcome many political taboos to support Ukraine, but policymakers on both sides of the Atlantic have been unable, or unwilling, to develop a vision for a needed new security order. A post-Cold War approach to alliance management has led the Biden administration and many European allies to preserve a form of status quo while the world undergoes considerable change.

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At the same time, there remains in certain political circles a desire to recreate the prewar relationship with Moscow, especially as a chronic lack of political leadership in key Western capitals impedes the development of an ambitious strategic agenda. Transatlantic leaders have repeatedly and rightly stated that [Ukrainians will decide](#) when they stop fighting, but this stance hides the lack of transatlantic consensus on a postwar European order.

## Competing Against China: All For One or Each for Itself?

Intra-alliance competition has emerged as another fundamental issue over the last four years. The United States and Europe, despite [recurrent calls to compete together against China, regularly go after one another](#). The Inflation Reduction Act (IRA), a massive subsidy and reindustrialization program arguably designed to bolster American competitiveness vis-à-vis China, has had significant ramifications for European companies operating in the US market. They have had to choose between relocating their supply chains to the United States or remaining ineligible for the subsidies. Washington is also subjecting European companies to scrutiny and criticism for maintaining business links with China in critical fields, such as trade and technology, that the United States regards as national security issues.

A more aggressive European discourse on competitiveness that clearly targets US policies (e.g., the IRA) and US actors (e.g., Big Tech) is unlikely to provide any benefit. The EU-US Trade and Technology Council, which has been cited as a success for transatlantic relations and can theoretically deal with issues that rankle the allies, has produced until now only [limited results and](#) increasingly appears to be primarily a tool for Washington to force its approach on China on Europeans. At the same time, initiatives such as the opening of an EU Office in San Francisco constitute good practices for engagement in critical fields, such as technology, but are meagre efforts to address the broader challenges that, say, artificial intelligence present. The last real attempt to enhance transatlantic economic cooperation, the Transatlantic Trade and Investment Partnership, is now a decade-old failure. Current politics make the prospects poor for anything similarly ambitious.

Over all this looms China. Washington's references to a "[China challenge](#)" mean more than Beijing. They also mean Europe. Since President Barack Obama's "pivot to Asia", relations with Pacific nations have been the top US foreign policy priority, and this presents a twofold problem for Europeans. First, they assess their relationship with China differently. France, Germany, and the United Kingdom, in particular, continue to maintain extensive trade relations with Beijing, even expanding them despite growing concerns about China's support for Russia's war against Ukraine. The new EU Commission, for its part, may adopt a tougher approach to China by emphasizing that the country is, as described in the bloc's 2019 Strategic Review, a "systemic rival", but it is unclear to what extent member states will follow this line.

Second, Europe sees the risk of retaliation for a hardline policy as a danger to the continent's wider economic and security interests. The United States, in contrast, has started to [diversify its imports away from China while it criticizes an export-dependent Europe for its unwillingness or inability to do the same](#). On security, the transatlantic allies agree that China's ambitions and actions "[challenge \[their\] interests, security and values](#)". [But that has been insufficient to forge a consensus on a response](#). NATO member states cannot even agree on the wisdom of the alliance's opening [a liaison office in Tokyo](#). That is ominous given the view among some observers that cooperation on China may be the best way to prevent a long-term weakening of the transatlantic relationship.

Washington's view is that Europeans make management of an alliance that provides limited benefits more [difficult](#). So if they cannot develop and pursue a common European strategy for China, the United States will continue to impose its own. This could lead to Europe's worst-case scenario: Washington's losing patience and making a deal with Beijing that ignores European interests.



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## Playing for Time is No Game

The Biden years gave Europeans time to strengthen their role as security actors, including through the EU, but the progress they made was more reactive than proactive. Instead of strengthening their capabilities as a NATO strategic pillar, Europeans continued to dally. They still saw Washington as sufficiently reliable for basing their national defense-industry strategies on US capabilities. The decades-long American pestering for enhanced European defense capabilities again went unheeded as the Biden administration confined its concerns to friendly nudging to avoid a public rupture that would weaken the alliance's credibility.

The continuing European play for time harms both sides. Events such as Brexit, Donald Trump's 2016 election, and the war on Ukraine show that Europeans can act swiftly and decisively if the political will and urgency exists. The 2016 ["winter package" on European defense](#) or the mobilization of massive EU support to Ukraine were not coincidences.

In the next four years, Europeans must lead the strategic thinking on their own security, including within NATO, instead of waiting for Washington to propose, or impose, ideas. They should put forward, especially under a Kamala Harris administration, a revised vision that includes clarifying the geographic boundaries of the European security theatre, provides an approach to non-NATO countries, defines a victory for Ukraine, and frames a relationship with Moscow. Europe and the United States must also agree on a clear distribution of military responsibilities and a plan for defense capabilities that form a European pillar in NATO. One sign of progress would be naming a European to the post of the Supreme Allied Commander for Europe. Another would be a change in US posture toward its allies so that it pushes them harder to double down on investing in defense. Washington must make clear that, while it stands with its allies as a defender of last resort, European security is first and foremost a European responsibility.

## Mind the Power Gap

The coming years will require the transatlantic partners to reconcile with another difficult reality. The growing imbalance of power between the United States and Europe constitutes a structural risk for the alliance. For the past 15 years, images of US political turmoil and foreign policy failures have hidden from European discourse a more unsettling truth: Europe, unlike the United States, has not rebounded from the 2008 economic crisis. The widespread narrative of a declining West is misleading as it eclipses a growing American military, economic, and technological ascendancy over Europe. A "don't ask, don't tell" strategy covered the gap, but the structural challenges in the transatlantic relationship now render the resulting disparity in geopolitical and geo-economic power so apparent that it becomes undeniable. It must be managed.

The EU averaged 1.05% annual GDP growth between 2008 and 2023. In the United States, it was 1.85%. While [exchange-rate fluctuations can explain the GDP disparity to some extent](#), the United States enjoys long-term economic advantages. Demographics, innovation, and low energy prices all favor the United States while Europe lags on the first two and lacks the third. European prosperity was also hit more harshly by the pandemic and the outbreak of war in Ukraine. Per capita GDP in Europe's largest economies [now equals](#) that of only the poorest US states. The trend is likely to accelerate as the United States [gains](#) from hosting the world's largest technology giants and continues to outspend Europe in innovation and research and development. US firms invest the equivalent of 5% of the country's GDP into new technologies. In the eurozone, that figure is [only 2.8%](#).

Another transatlantic gap, this one in military spending, continues to widen despite increased European defense budgets. This also undermines the credibility of any serious debate on responsibility-sharing among allies and the

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EU's role as a more influential geopolitical actor. Europe must [acquire the means to compete economically and technologically](#) before learning "[the language of power](#)".

The United States may face tremendous challenges at home and abroad, and its presidential election may well aggravate political instability, but other challenges stemming from European weakness are just as serious for the transatlantic relationship. And there is no sign that the latter will soon ebb. France and Germany struggle with economic growth and weak political leadership, both of which could undermine long-term investment in defense. This will complicate US support for Europe as a whole and for Ukraine in particular, limit policy convergence on China, and stymie Europe's ability to influence US strategic choices. Should this divergence continue, Europe risks a reputation of incompetence and disorder in an increasingly impatient and heavy-handed United States.

## Shaping transatlantic relations under Harris or Trump

Europeans can drive new transatlantic initiatives in the coming four years regardless of the next US president. One committed to strong relations with Europe, such as Biden, opens the way for a European [proposal for a transatlantic agenda](#). At the same time, an administration hostile to the EU and NATO leaves Europeans to take charge of developing new ideas for transatlantic cooperation. But if Europe fails to reshape the relationship one way or the other, existing structural challenges and dependencies will fester and threaten the relationship with collapse.

A Harris victory offers Europe additional time to expand its capabilities. But not much time. Europe needs to move quickly on defense and industrial investment, and it needs to develop concrete ideas for a future European security order. A Democratic president should exert more pressure on Europe to do this.

At the same time, economic competitiveness should become a transatlantic priority. Competition among partners will not disappear, but the current situation in which the United States and Europe undermine each other's economic interests will lead to a serious political crisis. More [economic policy coordination](#) can prevent another IRA. Common legislation should be pursued.

Europeans must also continue their bipartisan lobbying for Ukraine on Capitol Hill to ensure a majority supports Kyiv during the war and after a ceasefire is reached. They must also keep in mind that such support will be conditioned on further European contributions, including for reconstruction.

A Trump reelection presents different challenges and opportunities. Regarding Ukraine, the former president has promised that he would make a deal quickly to end the war. Europeans must ensure that redlines are not crossed as part of it. This includes any provision that jeopardizes Ukraine's future economic prosperity, thereby increasing the cost of EU integration. European leaders may have to bargain with Washington to accomplish this. Their blaming the US president for the consequences of a deal would be pointless since they will have to manage the long-term repercussions of the war under any circumstances.

On China, Trump is likely to adopt a transactional approach to Europe and demand more policy alignment in return for US security guarantees. Embracing a degree of such transactionalism, regardless of its cost, may be the only way to preserve transatlantic cooperation. But this would not prevent the EU from working with other actors worldwide to pursue economic and technological interests.

The next US administration, whether Republican or Democratic, would be well advised to take Europe's global role more seriously and empower its efforts to engage with partners beyond the transatlantic alliance. Europe will aim in any case to develop deeper political, economic, military, and technological partnerships with countries in the

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Middle East, Asia, and Africa in the coming years. But if these efforts are to be successful, Europe will need to drop its “us-versus-them” rhetoric and the moralistic undertones of its foreign policy, and recognize “pivotal powers” as equals. At the same time, European powers should be wary about accusations of hypocrisy from some of these powers that could suppress legitimate European interests. If the United States responds positively to these efforts, [they](#) could form a fundamental component of the transatlantic agenda. European engagement with pivotal powers would complement Washington’s global strategy.

There is a caveat to all this, however. The evolution of domestic politics on both sides of the Atlantic remains a wild card that could scuttle any broad strategy for managing the US-Europe relationship. Cooperation on economic, defense, and foreign policy may continue, but any erosion of US or European political values could alter the nature of the transatlantic relationship itself. This could happen if elections in coming years sweep more nationalists and populists into power. By the next US presidential election in 2028, the transatlantic partnership could be anything but that. Avoiding such a scenario means acting now.