

Chatham House Report

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Transatlantic Relations Converging or Diverging?

Executive summary



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The Royal Institute of
International Affairs

Executive Summary

Published in an environment of significant political uncertainty in both the US and Europe, this report focuses on the long-standing and fundamental drivers behind US and European policymaking, and sets out recommendations to address key structural factors that threaten the durability of the transatlantic relationship. While these structural factors cannot be assessed wholly in isolation from the current, highly visible political context, it is nonetheless necessary to put the latter in proportion. How will the present political turmoil, evident on both sides of the Atlantic, affect the long-term health of the transatlantic relationship when considered alongside other developments?

The rhetoric of the 2016 US election campaign and the evidence of President Donald Trump's first year in office both point to the reality that, in the short term at least, European policymakers will need to take into consideration an uncertain, populist and conflictual US government that is focused on its narrow definition of America's national interests to the exclusion of those of its long-standing allies. It is also an administration that often appears to be at odds with the US government bureaucracy. Time and again over the past year, Trump has taken positions that are antithetical to those of most European powers, from signalling the withdrawal of the US from the Paris Agreement to questioning the viability of NATO, disavowing the Iran nuclear deal and, most recently, recognizing Jerusalem as Israel's capital.

In Europe, meanwhile, significant attention and political energy has been taken up with maintaining the credibility and coherence of the EU while managing the exit of the UK. This is driving policy interests as well as soaking up resources – human resources in particular – and risks diverting attention and capacity away from common global concerns. Compounding this has been the rise of populism and nationalism in many states, which has increasingly challenged the supranational and internationalist ethos of the EU, and has restricted the scope for political leaders to act in accordance with its principles.

These circumstances have elevated concerns among many Europeans and Americans over the future robustness of the transatlantic relationship. This report nonetheless makes the case that, while the path may be rocky in the short term, the longer-term fundamentals of the transatlantic relationship remain strong.

In a major project spanning 2015–17, the US and the Americas Programme at Chatham House explored the transatlantic relationship in depth, with the aim of understanding its underlying trends and, more specifically, assessing whether the partnership is at risk of a long-term and structural divergence or whether recent areas of apparent policy difference reflect more cyclical, temporary trends. While there are meaningful variances towards this relationship within Europe, the report focuses chiefly on France, Germany and the UK, given their role as the principal drivers of European policymaking when it comes to Europe's collective interactions with the US.

Drawing on insights from a series of scenario workshops and case studies, this report identifies 12 major influencing factors in recent US and European foreign policy decision-making.¹ Taking into consideration their current effects, how they influence policymaking, and their likely trajectory, these factors are sorted into groups based on whether they are causing convergence or divergence between the transatlantic partners, and whether this is long-term and structural or cyclical.

¹ As shown in the summary table, one factor – resources – splits between divergence and convergence, with critical food and energy resources (and associated resilience and dependence) notably identified as potentially divergent elements.

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Summary table 1: Factors influencing convergence and divergence in US and European policymaking

Cyclical factors*		Long-term structural effects or trends
Transatlantic convergence		Geography Resources (minerals, water)
Status quo	External threats	History Great-power politics Influence of public opinion†
Transatlantic divergence	Capabilities Political polarization Leadership personalities Economics	Demographics Resources (food, energy) International institutions

* Cyclical factors oscillate between divergence and convergence. They are categorized here based on the current trend.

† Public opinion, and its power to influence policymaking, is changing structurally. Its impact, in terms of divergence or convergence, is issue-specific.

While divergent cyclical factors can result in real but perhaps superficial fears regarding the transatlantic relationship, policy attention needs to focus on structural divergences, which can have long-term consequences.

This report shows that three main factors fall into the critical category of having long-term structural divergent impacts on the US and Europe: demographics, access to two critical sets of natural resources – energy and food – and the role of international institutions.

- **Demographics:** The increase in Latin American and Asian groups in the US, and to a lesser extent, Middle Eastern populations in Europe (especially following recent refugee flows) is likely to cause the US and Europe to continue to diverge in terms of their regional interests and attention. This divergence could be compounded by the ageing of the populations on both sides of the Atlantic.
- **Resources:** The ability of the US to withstand diminished international supply of some vital natural resources (in particular food and energy) will, in the medium term, continue to exceed that of most European countries. This difference in vulnerability and resilience has policy implications that are likely to increase as supplies of these resources tighten.
- **International institutions:** Institutions, treaties and norms – including NATO, the IAEA and the NPT – have traditionally played a significant role in bringing the US and Europe together and in bridging policy divides. Increasingly, however, most of these institutions are perceived as unable to meet today's challenges. As their relevance declines, so they weaken as levers of transatlantic cooperation.

There are a number of additional factors that could cause divisions between the US and Europe – such as economics, differing capabilities (particularly military), leadership personalities and political polarization – on which much attention has latterly been focused. However, this report finds that although these factors may cause real and meaningful shorter-term disruptions, they pose less of a long-term threat to the relationship between the US and Europe, given their cyclical and thus transient nature. In democracies, leaders move on over time. Political polarization may look set to persist in the US and in Europe, but the underlying forces of populism and nationalism

are reinforced in part by domestic economic trends that are broadly cyclical, and will be constrained by the continued interdependence of nations.² While some could lead to temporary downswings in the relationship, they are more easily reversible with concrete – if difficult – steps such as increasing European defence spending.

Drawing on the analysis, the report concludes that, while the transatlantic relationship may currently be traversing a period of divergence, this need not necessarily lead to a structural split over the longer term. It will be important, however, that leaders on both sides of the Atlantic take steps to mitigate the risks of long-term divisions.

On this basis, the report makes a number of recommendations, chief among them:

- **Value transatlantic cooperation as a goal in and of itself:** A strong transatlantic relationship that is reinforced by common positions and rhetoric can deter potential adversaries and augment the power of both partners. It should neither be taken for granted nor put aside as valueless. Both partners need to invest in it at all levels of government and beyond (including at the level of cities and states as well as civic organizations and business).
- **Support transatlantic immigration:** Facilitating reciprocal US–European immigration will lead to better bilateral understanding and, in time, closer alignment of analysis and interests.
- **Reinforce transatlantic energy flows:** Current disparities in energy resilience could lead to divergent geopolitical and economic interests. Better integrating transatlantic energy flows, through the export of US energy to Europe, will help align these interests, as well as weakening the power of potential aggressors to use this current divergence to drive wedges between the US and Europe. Given that, despite its increasing energy independence the US will remain integrated in the global energy market, and working with Europe to maintain market stability, particularly with the larger energy providers such as Russia and the Gulf states, will continue to be vital.
- **Rebuild and strengthen institutions and norms:** Measures should be taken to reform, enhance the authority of, or more fully resource institutions such as NATO, the NPT and the IAEA that reflect structural areas of transatlantic common interest. By providing strong rhetorical support to such organizations and agreements, and their norms, governments also build domestic political support for them and reinforce, as needed, their deterrent effect on potential adversaries.
- **Better assess – and balance – US and European capabilities (particularly military):** The capability imbalance is likely to continue to raise tensions. Enhanced and, importantly, better coordinated European capabilities in the security, diplomatic and foreign assistance arenas will not only bring more resources to bear, but also improve joint operability.
- **Conduct joint analysis:** Divergence of policy positions often starts with differential situational analysis. Enhanced collaboration at the initial stage

² This report takes as a starting assumption that while the current levels of interdependence between nations may not rise in the coming years, the intertwining of state interests, flows of people, capital, goods and services, and ideas is so great that it cannot be reversed except at the margins.

of data sharing and analysis will mitigate this challenge. While it may not ensure the same final policy choices, drawing from common information is likely to enable greater clarity of purpose and minimize the scope for damaging misunderstandings. Joint analysis should take place from its earliest stages, facilitated by continued intelligence and information sharing. Greater informal coordination will help reinforce formal intergovernmental meetings.

- **Promote transatlantic bridges between non-state actors:** More and stronger transatlantic links between NGOs, the private sector and other organizations will facilitate better understanding and build more common perspectives and interests, as well as develop more actors to support the transatlantic relationship. For example, non-state actors, such as the private sector, can encourage the development of common regulatory approaches or standards. During the current political uncertainty, these actors have a more important role than ever in maintaining transatlantic understanding and laying the groundwork for future collaboration.
- **Engage more often in transatlantic public debate:** Leaders must fully take into account that their rhetoric will always reach an international as well as a domestic audience. They can thus reinforce – or undermine – a counterpart’s ability to build public support for action. Working together, across legislatures as much as executive administrations, to reinforce common policy perspectives and positions can lay the political groundwork for tough decisions in the future.

While in many respects it is imperfect to rely on non-governmental actors to drive progress, their actions could do much to preserve the best of the status quo

Despite the distraction generated by some of the short-term cyclical areas of transatlantic disagreement, the enduring health of the transatlantic relationship depends on leaders on both sides of the Atlantic maintaining their focus on the long-term structural drivers of convergence and divergence.

In the short term, and especially during the current period of political uncertainty and flux, progress on specific transatlantic goals (from free trade to environmental protection) may halt or even go into reverse, particularly if these are dependent on senior government leadership. In some cases, there may still be room for manoeuvre through traditional bureaucratic channels. In others, however, transatlantic coordination will best be led by other actors, be they cities, regional state leaders or non-state actors (as is currently taking place in order to uphold the US’s responsibilities in line with the Paris Agreement). While in many respects it is imperfect to rely on non-governmental actors to drive progress, their actions could do much to preserve the best of the status quo, or even create initial advances in some cases, and thus prepare the ground for a new cycle of transatlantic convergence when the opportunity next arises.

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