

1. EUROPEANS IN A WORLD OF DYSFUNCTIONAL SUPERPOWERS

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1. INTRODUCTION

Russia's invasion of Eastern Ukraine and the beginning of Donald Trump's second term in office have ended a long era in international relations and awakened Europeans to a different international reality. It is a shift from a world organised through multilateral rules and institutions, with all its imperfections and limitations, to one that is divided and fraught with uncertainties. We have entered a new era of rivalries, which Philip Stephens describes as "the end of the end of history".

Some elements that define this more unstable situation are the rise of China, the retreat of the United States, compatible with certain imperialist impulses, the growth of threats such as cyber-war or climate emergency, and the persistence of other threats that have been present for years (nuclear proliferation, pandemics, international terrorism and uncontrolled migrations).

The goal of global prosperity, central during the years of Pax Americana that followed the fall of the Berlin Wall, has given way to a growing imperative of security, understood in national or regional terms.

Perhaps it is too late to adapt the geopolitical order that emerged from the Second World War. The distribution of power in international organisations is outdated. The UN Security Council, the International Monetary Fund or the World Bank have a representativeness problem that they have not yet managed to address. Ongoing wars, from Ukraine to Gaza, moreover, accelerate the march of history. José Pardo de Santayana explains this in a recent analysis:

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“War has returned to the very centre of international relations. The nuclear weapon has regained its lost prominence, and Europe lives under the threat of a worrying escalation. Wars in Ukraine and the Middle East have put the final nail in the coffin of the US-led international order, alienated the Global South from Western leadership and are bringing the revisionist powers, China and Russia, closer into alignment with Iran and North Korea.

Moreover, warfare is accelerating the exponential advances of certain technologies that, like a sorcerer’s apprentice, could take on a life of their own and intensify the dynamics of warmongering.”²

Once again, we are witnessing the confrontation between large blocs, this time the United States versus China. These are two systems that are understood to be incompatible with each other despite their great economic interdependence. This unstable scenario has been described as a new Cold War, quite different from the first.³ This time most of southern hemisphere countries do not take either side, as the division into blocs leaves most countries as non-aligned. Some of them, the emerging powers, triangulate effectively, taking advantage of the benefits of multi-alignment and capitalising on the rivalry between the two poles. Such is the case of India, Saudi Arabia, Brazil, South Africa and the Emirates.

The term “geopolitics”, which fell into disuse after the Second World War, has returned and is widely -and uncritically. used. Our words are our worlds, said Octavio Paz: we lack a predictable framework in international relations, and we watch as ambition for power, geography and history shake the foundations of the world order. International law is being devalued, the use or threat of force is becoming more present and an economic deglobalisation is beginning that we do not yet know to what heights of fragmentation it will take us. As Josep Piqué observed, geography is always there and history always returns.

The demand for security is also based on an concept that for some policy makers spills over from defence to energy, trade and investment, technology, health and migration. Interdependencies reinforced by a long process of economic globalisation are increasingly understood as vulnerabilities. The political debate in many democracies is shifting to the axis of open versus closed countries, leaving behind classic right-left ideological divisions. In many parts of the world, liberal democracies are no longer perceived as the result of an advanced process of political and social evolution, but as rather messy and inefficient governance systems. The leadership archetype of so-called “strongmen”, saviour-like figures with simple solutions to complex problems, is in vogue in both democratic countries and autocracies.⁴

For Europeans, the return of this Donald Trump to power is bad news. Neither the EU nor its member states are prepared and cohesive enough to achieve the strategic

² José Pardo de Santayana, “La Guerra ha vuelto con fuerza a la geopolítica”, *Panorama Estratégico* 2025, Spanish Institute for Strategic Studies, Ministry of Defence, April 2025.

³ See Sir Robin Niblett, *The New Cold War*, Atlantic Books, 2024.

⁴ See Gideon Rachman, *The age of the Strong-man*, The Bodley Head, 2022

autonomy they need to cope with the weakening transatlantic relationship. Security, technology and energy dependence on the US is enormous and alternatives cannot be improvised quickly. The growing dysfunctionalities of the Washington administration seriously affect the old continent. The second presidency of this disruptive politician is a triple shock for the continent's defence, economy and democracy.

Russian aggression in Ukraine, a new step of Moscow's expansionism, is another factor of instability for Europe. The invading country seeks victory and not peace, once Trump has endorsed its revanchist theses. China's new steps towards global hegemony are facilitated by a chaotic approach to foreign policy coming from Washington, completing a highly complicated geopolitical picture.

The two alternatives being discussed in Brussels and European capitals are unrealistic. On the one hand, decoupling from the United States by acquiring its own defence capabilities and strengthening the European economy (EMU pending reforms, internal market, capital union, industrial policy, common strategy to compete in the digital revolution). These are part of the list of unfinished business and pending homework. Even if they are tackled now because of a geopolitical imperative, the European reaction will take a long time to bear fruit -around ten years for instance to build its own defence capacities. On the other hand, rapprochement with China, the other superpower, is on the cards. Yet this is, as we shall see, a move fraught with risks and counter-indications. Europeans must continue to seek accommodations and negotiate with Washington in spite of everything. The Trumpist nightmare may end long before the Chinese dystopia, even though the fight for the survival of liberal democracy will go on for many more years.

2. THE UNITED STATES AS A DISRUPTIVE SUPERPOWER

2.1. UNDERSTANDING TRUMPISM

At the centre of the geopolitical transformation is the United States. Former Defence Secretary Robert Gates warned in a seminal article in 2023 how the Western superpower is weighed down by dysfunctional and polarised politics. This situation is a serious obstacle to reaching the basic consensus that would allow it to respond effectively to a delicate international situation, with four autocracies that challenge it and are increasingly coordinated with each other: China, Russia, Iran and North Korea.⁵

With Donald Trump's return to power, the United States is sharpening its internal divisions and refusing to be a provider of global stability. It is leaving behind the reconstruction of foreign policy alliances, as Joe Biden had done during his only term in office, and is moving towards a foreign policy that oscillates between isolationism and a version of imperialism that takes us back to the 19th century.

To win the 2024 election, Trump has displayed remarkable political astuteness in weaving a broad coalition among voter groups with very different agendas: the MAGA

⁵ Robert Gates, "The Dysfunctional Superpower", November-December 2023, *Foreign Affairs*.

movement, evangelicals, libertarians and many members of racial minorities. Trump should be grateful for the all-important help of the Democrats: he has won thanks to the invaluable collaboration of Joe Biden and Kamala Harris, the “royals” of an arrogant, wokist party disconnected from most non-college-educated voters. Abba Eban, Israel’s minister for the EPA, said Palestinian negotiators “don’t miss an opportunity to miss an opportunity”, a phrase applicable to the Democrats.

Trump is a very misguided question to the very real questions of a large part of American society, about growing inequality, lack of social mobility, uncontrolled immigration, and other unspoken fears. In fact, after Trump there will still be Trumpism, a national-populist movement that has replaced the traditional conservative politics of the Republican party.

The New York tycoon has returned to the White House with a language of victimhood and aspires to quickly change the rules of the game, both of American democracy and of an international order largely built by the United States.

Trump’s second presidency has begun so viciously that one almost misses his first term, when he did not have such clear plans and did not have a good grip on the levers of power. The president is putting democracy to the test, through the expansion and privatisation of executive power, attacks from the federal government on fundamental rights of immigrants, lawyers and universities (habeas corpus, representation rights, free speech), contempt for the Supreme Court and federal judges, and accelerating the destruction of a fragile but still rules-based international order.

Their project is to leap over consensus, pacts, norms and institutions, arguing that local and global elites are corrupt. Reform is not possible, and the only thing left is a break with the established order.

The most powerful presidential adviser at the start of the new cycle has been billionaire Elon Musk. On the one hand, this technologist, partly responsible for Trump’s electoral success, has tried to maintain and increase the numerous contracts his companies have with the federal government and influence policy towards China, where he manufactures half of his cars. On the other hand, he has acted as the shadow mastermind of the Trump cabinet and fought on all fronts, from the reform of the administration to peace in Ukraine, the rules of the AI game or support for European ultra-right parties.

Anne Applebaum has argued that the Department of Government Efficiency entrusted to Elon Musk has nothing to do with efficiency: “What he is doing is terrorising people who work for the government and pushing them to resign and replace them with loyalists. Musk and his team of engineers are becoming stewards of the bureaucracy’s data system. We don’t know what they will do with it, whether they want to sell it or use it for their business”.⁶

Trump cares about popularity and polls, like a good TV ratings expert. He also cares about macroeconomics, the stock market and the risk premium on treasury bonds, however much he conveys his own version of economic data. But the tycoon cannot run again in four years’ time (in principle...), his hands are free, and so far the wind is in

⁶ Anne Applebaum, interview in *El Mundo*, March 8, 2025

his sails. It is the euphoria of the one who feels powerful, which typically leads to feeling above the rules and knowing he is called upon to realise big projects. Perhaps this is why he does not follow the advice of Ludwig Erhard, the German finance minister, who said that most effective economic measures are actually declarations. In any case, the start of his mandate may be very different from what comes after. The best Trumpologists know that they must be prepared for surprising plot twists and constant surprises.

The checks and balances of US democracy will eventually constrain Trump, from the Supreme Court to state governors, civil society and the media. The international arena is where Trump can wreak the most havoc in his second term, through strong emotions, retreat, deals and territorial expansionism (Canada, Panama, Greenland...), all wrapped up in his fascination with the strong leaders of the worst autocracies.

45% of Americans disapprove of their president's decisions in the first few months. A majority do not want trade wars with Canada, Mexico and Europe, nor do they want to empower Elon Musk, plagued by conflicts of interest and determined to block the executive, regulatory and revenue-raising capacity that allows a federal state to function.

2.2. A WEAKER AMERICA

A few months into Trump's second term, the US is a weaker superpower's weakness has grown. It has broken bridges with its allies, inflicted unnecessary damage on its economy, and pulverised its soft power - the admiration for US values, policies and culture - without which global hegemony is impossible.

On the contrary, the new Western barbarians, as a character in Henry James' novel "The Americans" (1877) called the inhabitants of the United States, are ready to weaken multilateral organisations, which have favoured their interests and projected Western values. And this gives way to a much worse world.

But President Trump's gestures, statements and policies are not only a disruption, but also a major distraction from fundamental challenges that must be addressed jointly by the world's major countries and multilateral organisations. The president has withdrawn his country from the global fight against climate emergency, extreme poverty and coordination of global health issues. He ignores the importance of setting clear standards in the development of Artificial Intelligence. It aspires to continue to maintain superpower hegemony without providing stability for the world. Trade and defence alliances are called into question and their fundamental premise, shared interests and values with allied countries, is denied.

Leslie Vinjamuri, director of the US programme at Chatham House, London, warns that while Trump's presidency raises the question again of his country's global engagement, this question has been looming in the shadows for decades under previous presidencies.⁷

⁷ Leslie Vinjamuri, "The new Trump Administration could herald a remaking of the international order. How should the world respond?", Expert comment, January 15, 2025, Chatham House

This time, however, the Trumpist combination of isolationism and nineteenth-century imperialism makes international cooperation between countries or blocs to address common problems much more difficult. It is true that US soft power in the new MAGA version is appreciated in parts of the world ruled by dictators and apprentice strongmen. The European Council on Foreign Relations' study "Alone in a Trumpist World", conducted in January 2025, reveals some very relevant data:

"The citizens most concerned about Trump's return are in the closest allied countries. Only 22% of continental Europeans, 15% of Britons and 11% of South Koreans think it is good for their nations. Meanwhile, 84% of Indians, 61% of Saudis, 49% of Russians and 46% of Chinese appreciate that it is positive for their countries".⁸

In the early stages of Trump's second term, it is much harder to be an ally than a rival of Washington. In the first term, Trump played good cop with autocracies and his collaborators played bad cop. With allies, Trump was the bad cop and his collaborators were good cops. Now, there are no adults in the room who can contradict him, correct his mistakes and moderate his worst instincts. In the president's mindset there are only zero-sum games: for the US to win there must always be a loser.

Trade policy has been an act of self-harm. We have witnessed the spectacle of the arbitrary imposition of astronomical tariffs on over a hundred countries and territories, some unpopulated, followed by the temporary suspension of the application of most of them, and the subsequent adoption of exceptions and exclusions thanks to the influence of certain lobbies. Trump claims to be negotiating 200 free trade agreements, but the most visible attempts to bridge the gap and ease trade tensions, such as with China, India and Japan, have so far yielded few results.

The dollar, the world's reserve currency, has suffered and the financing of US public debt has become more expensive, calling into question the exorbitant privilege, defined by Valéry Giscard d'Estaing in 1965, i.e. the ability to acquire real goods by issuing debt, with limited effects on its balance of payments.⁹ The president's attacks and pressure on Jerome Powell, who heads the Federal Reserve until May 2026, have made the country's economic situation even more unstable.

One of the paradoxes of our time is that the two great free-trading powerhouses, the United States and the United Kingdom, have chosen to retreat and cut off their own access to the markets in which they compete. Both London and, a lesser extent, Washington are beginning to realise that opting for less economic freedom is a self-injury that makes them less influential and prosperous.

In the case of the United States, the so-called "liberation day" marked its Brexit from the global market.¹⁰ But it is possible that gradually the Trumpist fury may begin to sub-

⁸ "Alone in a Trumpian Worlds", January 2025, ECFR, <https://ecfr.eu/publication/alone-in-a-trumpian-world-the-eu-and-global-public-opinion-after-the-us-elections/>

⁹ Omar Rachedi, "Trump, el dólar y el privilegio exorbitante: ¿la hora del euro?", *Expansión*, 17 April, 2025.

¹⁰ Simon Nixon, "How Liberation Day Will Be America's Brexit", 30 March 2025, nixonson.substack.com

side. The irrational imposition of tariffs, especially on allied countries, clearly hurts the domestic economy, harms global prosperity and favours China's rise. Investors and businesses demand predictable environments. Fortunately, the markets have shown themselves capable of curbing the worst of Donald Trump's economically unfounded ideas and the courts are beginning to stop his expansion of executive power. In his first months in the White House, the president has lost popular support and credibility in spades. Congressional elections in two years' time, along with judges and markets (and perhaps high cholesterol) could stop to Trump's worst decisions and make him a lame duck. But Trumpism will exist after his demise, with the same economic ideas and a similar contempt for classic notions of liberal democracy and constitutional checks and balances.

2.3. DONALD TRUMP ON RUSSIA'S INVASION OF UKRAINE

Trump's most worrying international turn has been his approach to Russia's invasion of Ukraine. The president has become a mouthpiece for Kremlin propaganda: Ukraine is to blame for the Russian invasion and the dictator is Zelenski, not Putin. The Kyiv government must pay the US for its military and financial contribution and for the lost profits of its companies that have withdrawn from Russia over the years.

The decision to reward Vladimir Putin for invading Ukraine has blown apart the transatlantic relationship rebuilt by Joe Biden. Trump has bought all the Russian disinformation about the war, whether out of ignorance or simply for short-term economic advantage.

The signing of the 'Investment for Reconstruction' agreement between the US and Ukraine on 1 May 2025 aims to facilitate a ceasefire and put an end to Russia's invasion of the neighbouring country. On the one hand, Washington is extracting a price from the ally it has been helping with arms and funding for three years, and on the other, it is sending a message to Moscow that the future of the Ukrainian economy is in its interest as a major shareholder.

However, there are missing pieces to the puzzle. The president had repeatedly announced on the campaign trail that he would bring peace to Ukraine 'in twenty-four hours', but it is not easy. The biggest obstacle is not Vladimir Putin's stubbornness to win, but Trump's misguided negotiating strategy. The president does not have patience to broker a peace that is as just and permanent as it is possible. He is keen to do business with Russia, even though the two economies are not very complementary and compete on oil and gas exports, Russia's monoculture. He is probably grateful to Russian investors who have sometimes saved his companies from ruin. Sooner rather than later he will lift sanctions and try to restore Russia's place in international fora such as the G-7.

In short, the New York tycoon has mistreated Ukraine while giving very important trump cards to Moscow without asking for anything in return: Ukraine will not join NATO, the United States will recognise the annexation of Crimea in 2014 and, most worryingly for Europeans, Washington will not offer security guarantees to the Kyiv government after the country's partition.

For its part, Moscow may accept a deal that will leave Ukraine in a very weak position and seek full control in a few years. But it is also likely to take advantage of the good cards the US has dealt it and continue the military campaign, periodically making small negotiating gestures now that victory is closer.

The repercussions of this likely false end to the conflict go beyond the European continent, which will suffer an unstable Eastern border and will find it impossible to create a relation of peaceful coexistence and cooperation with Russia. This prospect confirms the paradox that the United States, the still hegemonic superpower, does not want to provide stability to the world and is inviting China to accelerate its regional and global projection.

3. THE RISE OF CHINA

3.1. THE CHINESE SECURITY IMPERATIVE

China has undergone an accelerated transformation in the last half century. It has experienced the miracle of becoming in just a few years a power that has left poverty behind and fought for world hegemony with the United States, competing in economics, technology and defence. The architect of this transformation was Deng Xiaoping, a pragmatic leader who combined Leninism with capitalism for the first time and restored China to great power status.¹¹

The contrast with Xi Jinping's mandate since 2012 is stark. The Chinese leader has focused above all on strengthening internal and external security to maintain his political system despite the development of capitalism in the country and has led his country into a difficult economic moment. The elimination of opponents, the fight against corruption, the repression of dissidents and minorities, censorship, especially in the digital sphere, state intervention in the economy, control of technology companies, ideological rearmament, are some of the elements that illustrate the current Chinese leader's shift. The instrument has been the Communist Party, with committees in all enterprises and ultimate decision-making power in economic decisions. "For China, economics is politics", says Ambassador Rafael Dezcallar in a very suggestive analysis of China's rise to superpower status.¹²

China's foreign relations have gone beyond the principle enunciated by Deng Xiaoping: "hide your strength, bide your time". The Asian giant wants to take its rightful place in the world without much delay, in accordance with its economic weight and relying on its exponentially growing military capacity. The Belt and Road Initiative, the leadership of the BRICS and being the main trading partner of 120 countries are no longer enough. The next step would be to change the international order according to a new balance of power, based on state sovereignty and not on the Western idea of universal

¹¹ Cfr. Rafael Dezcallar, *El ascenso de China*, Ediciones Deusto, 2025.

¹² Cf. Rafael Dezcallar, *op.cit.*

values as the foundation of human rights. Rivalry with the United States, a real technological and ideological confrontation, thus became the focus of its international policy. Thanks to the perceived decline of Western countries and their divisions, it competes with an advantage in the so-called global South and accelerates its regional projection. As Eva Borreguero explains:

“In recent years, a dynamic cycle of mutually reinforcing correlation of forces has developed: on the one hand, Washington has strengthened its alliances with its Asian partners, and, on the other hand, Beijing has flexed its muscles and sought to strengthen its alliances with its Asian partners. This has led affected countries such as India, Australia, Japan, the Philippines and South Korea (including Taiwan) to increase their defence budgets, forge new coalitions and forge closer relations with the US. This dynamic will continue through 2025”.¹³

3.2. THE RIVALRY BETWEEN CHINA AND THE UNITED STATES

The remainder of the 21st century will be dominated by an increasingly fierce rivalry between China, the power that aspires to global hegemony, and the United States, which wants to maintain that pre-eminence as much as possible.

Trump’s most important foreign policy decision is still pending: to confront China or to retreat and allow the Asian giant to gain greater global weight. Elbridge Colby, a close adviser to the president and a senior official at the Department of Defence, has already said that Taiwan is not an existential US interest. But Republican “prioritisers” or hawks, such as Marco Rubio, want to put the brakes on China. Against them they have J.D. Vance, spokesman for the MAGA movement and in favour of isolationism, justified by the population’s weariness after several unpopular and costly wars and the need to focus on domestic issues.

The United States’ international priority over the past decade has been to contain China, the rising superpower rival. The next few years will be decisive in determining which of the two superpowers wins the race for technological supremacy. Dario Gil, the Trump administration’s new Under Secretary of Energy for Science, has underscored this urgency:

“Now is the time to elevate AI’s ability to advance scientific discovery and solve problems in ways that were previously unattainable (...) If we don’t succeed in this, rival nations like China will overtake us and the consequences will be dire. In the next four or five years, the world is going to witness the most important advances in technology, not just in the last hundred years, but those that have never been achieved before.”¹⁴

¹³ Eva Borreguero, “Indo-Pacific 2025: strategies, cooperation and competition”, *Panorama Estratégico* 2025, Spanish Institute for Strategic Studies, Ministry of Defence, April 2025, p. 148.

¹⁴ Lindsay McKenzie, *FYI: Science Policy News*, 16 April, 2025.

In this context of intense technological rivalry between the superpowers, Xi Jinping wants to go down in history as a great leader and measure himself against the likes of Mao or Den Tsiaping. The way to do this is to take over Taiwan, a very uncomfortable Chinese democracy and the leading manufacturer of semi-conductors for the global market. But his goal is to do it without a war, even if the most likely lesson of the war in Ukraine is that the US is not ready to support its allies. Moreover, the current communist leader's domestic problems are piling up, which could lead him to accelerate his plans to end democracy in Taipei: collapse of the real estate sector, ineffective state interventionism, government inability to stimulate consumption, minority and youth protests, corruption and the failure of the covid zero policy.

China projects its internal security needs to the world through a long-term strategy in search of global influence, energy sources and raw materials. At the same time, it continues to have the mentality of being the central empire and views other countries as tributaries rather than equals, a mentality that has so far modulated the growing export of its political and economic model.

The Asian superpower is responding at its own pace to the climate emergency along with nuclear proliferation. In the current situation of a weakening transatlantic relationship and the US relinquishing its role as the provider of global stability, some Europeans may think that they will find a better ally in Beijing. But the truth is that democratic countries will have to defend themselves against China on many occasions and will find it possible to cooperate on others.

It should be remembered that China's leader, Xi Jinping, despises the Western model of liberal democracy and open economy as less effective than his combination of iron Leninism and unbridled capitalism. Externally, he has never fully respected international trade rules, from export subsidies to IP norms. It defends Russia's imperialist theses in Ukraine, having signed an "alliance without limits" before the invasion. Without this support, Moscow would not have the possibility today of choosing victory over negotiation with Kyiv. It projects China's enormous military power on the island of Taiwan and expands territorially in the South China Sea, in clear defiance of international law. Xi Jinping offers the rest of the world a model of autocracy in which there are no universal values, human rights or rule of law. The individual is always subordinate to the collective and all other countries are tributaries of China, the empire at the centre. It is easy to conclude that, from a European perspective, the term dysfunctional superpower also applies to the Beijing regime.

4. EUROPEANS FACING A WORLD FOR WHICH THEY ARE UNPREPARED

4.1. FROM INTROSPECTION TO STRATEGY

The EU and its member states are not comfortable in a world where security is the dominant imperative for top US and Chinese policy makers and affects so many areas - defence, investment and trade, energy, technology, migration, health. The United

States, the Western superpower, is no longer the reliable provider of European security and global stability. This is why Brussels' excessive introspection in recent years, in which it has debated intensely and with a certain Byzantinism about the continent's strategic autonomy, open or not so open, needs to be left behind. The urgent question is: how can Europe contribute to solving global problems in a world where security has become the overriding interest?

It is undeniable that, in the face of Russia's invasion of Ukraine, the EU has acted swiftly and with unity, even if sanctions have not been very effective and military support has always been behind the curve (the late dispatch of long-range missiles, for example).

Indeed, the European Union has been facing a series of existential crises for seventeen years: the triple crisis of banking, debt and growth in 2008, which forced a redesign of the euro, the migratory avalanche of 2015, the rise of populist and anti-European nationalist movements, well exemplified by Brexit, the pandemic and its devastating consequences on health and the economy, and the Russian invasion of Ukraine.

In each of these five major crises, the EU learned valuable lessons and adopted reforms guided by the objective of deepening integration. The most successful case of understanding crises as opportunities, in the best European tradition, was the creation of the so-called Next Generation Recovery Fund, a highly innovative federal economic-financial instrument.

The sixth crisis comes with the international disruption brought about by Donald Trump's second presidency. The problem is that a defensive attitude is no longer enough. Europeans must formulate a strategy that allows them to learn the language of power, as Josep Borrell warned at the beginning of his term as High-Representative and become an actor with a seat at the table in the new geopolitical era, if they do not want to fall into irrelevance.

The coincidence between the transgressive current of US policy and the subversive activity of Russia's neighbour puts Europeans in a very difficult situation. From Washington, the president praises anti-European parties. Elon Musk has also shown his closeness to the British far right and seems willing to finance the German neo-Nazi party, the AfD, second after the elections in February 2025. For Musk, AfD and Giorgia Meloni's formation in Italy are interchangeable parties because of their rejection of immigration, regardless of the clear differences between the two discourses.

Europe has lived seven decades of peace under the military umbrella of the United States, while developing the best social state in history and developing its political and economic integration. But it has not put enough effort into security and defence, still largely a national competence today. As with a long list of economic and social policies already Europeanised, defence needs to be the next chapter of integration while at the same time repairing the economic engine: completing Economic and Monetary Union, launching a Capital Markets Union, increasing the budget, designing an EU industrial policy. All this despite high levels of debt, low growth and Europe's status of "digital slave" of the United States. The Union is over-diagnosed (Draghi and Letta reports, among others): the challenge is for institutions and governments to execute the

strategy and, as Jean-Claude Juncker said during the single currency crisis, still be able to win national elections.

It is true that the countries of the continent are investing more and more in defence (a total of around 40% of the US budget), but this is done based on national logics, with fragmentation and lack of coordination, and without a sufficient industrial base. These limitations have been known for years, and little has been done to remedy them. There is a widespread pacifist mentality among voters, so the problem is not only one of institutions, capabilities and means.

Thus, much of Europeans' global security and defence work in the future must continue to be as allies of the United States, the Western superpower with which there are differences that will be resolved over time. Europeans must buy time, act like "latent Atlanticists", seek accommodations, negotiate as much as possible with Washington, and in the meantime develop security and defence capabilities and strengthen their economy.

The option of a rapprochement with China clashes with European values and interests in the medium term, no matter how much this rhetorical possibility may be wielded from Brussels, Paris or Madrid. The EU has already changed its perception of China - it sees it as a 'systemic rival' - and step by step is moving closer to the traditional US view of containment of the Asian giant. It does not consider it an enemy, however, as is increasingly the case in Washington, and prefers to de-risk than decouple its economy and stop investing and trading.

Despite the rise of nationalism and populism, the two sides of the Atlantic share a common history and political and moral foundations in a world where the West is increasingly ceding power to other emerging actors. The European temptation may be to project a continental nationalism spurred by anti-Americanism. But this would be a mistake: the integration project is only valuable if it retains its cosmopolitan aspiration, which sets limits to the rise of all strong collective identities. The task of the Union and its states in the coming years is to defend Western values, which they share with millions of citizens of other countries, starting with half of the United States, many Latin American countries and Asian allies.

In other words, Europeans need the US as their main security and defence ally, while developing their own capabilities. In North Africa and the Sahel, for example, Europe will increasingly have to act without the US. At the same time, the US no longer has the capacity to contain China without working in coalition with its allies.

4.2. TOWARDS A DEFENCE UNION

The big question today is whether the EU can evolve and equip itself in time with the necessary security and defence capabilities to manage major geopolitical issues and become a leader of the free world. It is an existential question, forcing a revision of a well-established belief, contested among others by Joseph Weiler:

“It is obvious that no European country can defend itself alone. And that being so, it is ridiculous to consider that defence should not be pooled ... European states have neglected their defence, thinking – based on the memory of the 20th century – that the US will always come to the rescue in case of need”.¹⁵

The goal of boosting European defence requires answering three questions: how to maintain the transatlantic link when the US shifts priorities, reverts to isolationism and favours rivals over allies; how much centralisation of powers around the EU in defence matters is needed; and how fast is it necessary and possible to move forward in either case.

Just as the debates around Economic and Monetary Union included the idea of a Political Union, now the centralisation of security and defence policy in Brussels requires the strengthening of democracy and the legitimacy of the Union.¹⁶ It will not be easy, due to the fact that anti-European populist parties, fuelled by anti-migration messages, continue to grow in support and already govern in countries such as Hungary and Slovakia. France’s presidential elections in 2027 will be crucial in this regard.

In return, polls indicate that citizens trust EU institutions more than national ones. Seventy-seven per cent call for a continent-wide security and defence policy, although it is not clear that they are willing to pay the price in taxes or accept the trade-off in public investment in social policies.

The EU’s institutional structure also introduces an additional complexity to react quickly, due to the lack of a real executive power in Brussels and the division of legislative power between three institutions with shifting agendas, the Commission, the Council and the Parliament. It takes on average four years from the time a directive is proposed until it is implemented through national law.

The Union, as has already been noted, does not have full competences in foreign, security and defence policy, and when it tries to exercise them, it is slowed down or blocked by the requirement for unanimity among 27 member states. Valuable steps have been taken, such as the appointment of a new member of the Commission in charge of defence industry, the increase in funding for military spending, the proposal for a common defence market and the REARM Europe initiative. But the short-term solution lies in ad hoc coalitions of member states that are able and willing to make progress in these areas. The medium-term challenge is to do so within a model of Community integration that is flexible, renewed and strengthened in its capabilities. It is a question of being able to take decisions effectively, with a much-strengthened common budget and with institutions subject to the rule of law and more capable of being accountable to the citizens. In the realm of defence, Brussels will demand duties from them – to protect Europe – and not just grant them rights.

It should be noted that the easy solution of appealing to strong leaderships would

¹⁵ Cf. interview with Joseph Weiler, *The Objective*, December 10, 2022.

¹⁶ Cfr. José M. de Areilza, “Unión Política” y gobierno económico del euro”, Anuario del Euro 2014, Fundación de Estudios Financieros and Fundación ICO.

not work in the very complex and fragmented European context, where there is no alternative to the hard work of negotiating and seeking agreements between different actors. When institutions are weakened, as they are in our time at national and international level, the call for personal leadership becomes more present. But adult politics must reject the childish idea that a saviour leader will appear and by his or her mere presence resolve issues of enormous complexity. As we see with the proliferation of ‘strong men’ in governments halfway around the world, they end up looking for internal and external enemies to blame them for the fact that their policies do not work.

Within the Union, however, reforms in Germany during the new legislature will prove decisive for Europe as a whole. The new chancellor, Friedrich Merz, looks set to exercise dual domestic and European leadership. Europe’s hegemonic power and the Union’s main exporting country needs to replace at least three dependencies that prevent it from prospering, competing and defending itself in the new era we have entered, but it will not be easy. These are addiction to Russian gas, a sharply reduced supply during the war in Ukraine with high costs for its industry, the dependence of its industry on the Chinese market, especially the automobile market, and the lack of investment to compete in the new industrial revolution without conforming to the disruptive technologies coming from the United States.

Pending enlargements of the European Union, to the Western Balkans and to Ukraine and Moldova, once again pose the dilemma of the 1990s, enlargement versus deepening. This time the answer should be clear, deepening comes first, to address the lack of European security and defence capabilities as soon as possible.

4.3. TECHNOLOGICAL DEPENDENCE AND EUROPEAN DEMOCRACY

The most difficult chapter in the relationship between Europeans and the United States is in the field of digital technology, an ongoing revolution in which the old continent is highly dependent on American scientific advances and American companies. The problem is compounded by the influence of the techno-optimism movement in the White House, which rejects regulation and taxation as instruments to create rules of the game in the digital sphere and Artificial Intelligence. Its anarcho-libertarian vision also affects the blocs or third countries with which the US engages, which it does not recognise as having the right to apply their own rules in this field.

José Ignacio Torreblanca recalls that:

“During the US election campaign, J.D. Vance warned the EU that regulating X would be seen as an attack on free speech incompatible with the democratic values of the Atlantic alliance. He added that such actions would lead the US to withdraw its support for NATO. This is tantamount to blackmail. The choice for the EU is stark: ignore digital services laws, giving free rein to Musk and Zuckerberg’s platforms to spread disinformation, hate speech

and political interference; or suffer significant economic repercussions and security risks”.

In the words of this technology and policy expert:

“Europe must make it clear that this is not a confrontation between the United States and Europe, but a dispute between certain technology oligarchs and democratic governance. The focus must remain on enforcement against those who exploit their market dominance for economic gain and accumulate political influence to preserve those gains”.¹⁷

The alternative of turning to China to boost the development of digital technology and AI in Europe does not hold up, given the Beijing government’s political approach to this strategic sector. The communist regime is not only seeking to win the race for primacy over Washington but is already using the digital ecosystem for international espionage, control of citizens’ activities, censorship, repression and the assertion of its authoritarian system.

4.4. THE NEW PARTNERSHIP WITH THE UNITED KINGDOM

One piece of good news for continental Europeans is that more and more British citizens think that a closer relationship between the UK and the EU is necessary, including 26% of those who voted for Brexit.

There are several reasons for this new state of opinion. The threats to common security posed by the war in Ukraine make good the saying that all European countries are small; some just don’t know it yet. The return to the White House of Donald Trump, a president highly sceptical about the importance of the transatlantic link and willing to engage in trade wars with his allies, also boosts cooperation between the two sides of the channel.

This is not to say that the British will rejoin the EU any time soon. The trauma of Brexit is still present, and it will take at least the arrival to power of a new generation before membership can be reconsidered. Political crises in France and Germany and divergences between the two integration drivers also make it difficult for the EU to react quickly to threats to its security and to consider a partnership with its former member state. There are, however, many concrete initiatives on which to work together. The list of pending issues is endless: defence, the economy, education, research, technological development, the fight against climate emergencies...

The UK remains the continent’s leading military power and second largest economy, although the state of its public finances hampers the updating of its global capabilities. Keir Starmer’s Labour government sees its reform project as one of deepening relations

¹⁷ José Ignacio Torreblanca, “Big tech, Donald Trump and “techno-imperialism”: how to prevent Europe from becoming a digital colony”, Commentary, ECFR.eu, 21 January 2025

with the EU's internal market and improving access to it. It is true that the Conservatives have been radicalised after their electoral defeat, but a third of their voters want better cooperation with the EU. Pragmatism is beginning to replace an arrogance that in 2016 masqueraded as patriotism. On the continent, the UK is increasingly perceived as part of the solution.

Britain's shift towards a reunion with the European Union is underway. Starmer is pushing for negotiations with Brussels and member states on many fronts, from defence to immigration, with the most prominent being the attempt to re-enter the internal market. So far, the approach of mutual recognition of rules on goods has not been well received on the continent but reveals a clear desire to return home. In a Europe where security has become the dominant imperative, the UK has much to say and contribute.

On trade with the US, the UK has shown the rest of Europe the way: negotiate relentlessly, seek accommodation and display strategic patience. Its negotiators have argued that the trade deficit with Washington is very small and becomes a surplus if services are included in this calculation. They have also made much of King Charles III's invitation to Trump to enjoy another state visit. London has the best diplomacy in the world, operative again once Prime Minister Starmer lets it work, in contrast to the past distrust of gleeful Brexit supporters.

Five weeks after Donald Trump proclaimed the day of liberation and flooded the world with tariffs, the UK has been able to negotiate an agreement in principle against the protectionist tsunami. The so-called "US-UK Economic Prosperity Pact" is a starting point for selectively reopening the US market, as long as ownership of companies based in the UK is in no way connected with China. It proposes negotiating exemptions from tariffs on steel and aluminium, later pharmaceuticals, and creating a broad quota for car exports to the US of 10 per cent instead of the current 25 per cent. In return, meat imports would be facilitated and a pact on digital services and artificial intelligence would be negotiated. This is an area that the US wants to deregulate as much as possible, including outside its borders, in the name of a maximalist vision of freedom of expression, starting with the elimination of taxes on its technology companies.

Trump has heralded the start of negotiations between the two Anglo-Saxon countries as a great victory and added a confusing explanation: "we don't sign agreements; they sign agreements with us".

5. SOME CONCLUSIONS

It is essential that the EU's reaction to Donald Trump's attempt to blow up world trade responds to a strategic vision and is not just defensive, driven by the urgency to stop the blow. It is of little use to toughen the language and use from Brussels expressions copied from the MAGA world. Nor is there much point in competing in an escalation of tariff barriers, in the hope that Trump will at some point stop playing poker and be willing to engage in serious bilateral negotiation. Likewise, there would be little

point in increasing trade with China, a short-term solution that clashes with the need to minimise risks in the relationship with the Asian superpower.

Economic globalisation driven by the Anglo-Saxon world has had enormous positive consequences all over the world. The challenge to the expansion of capitalism by the countries that did most for it (the US and the UK) is a gigantic self-injury. In contrast, there is an urgent need to negotiate pragmatic reforms that renew the advantages of economic freedom, multilateralism and international rules.

European security will be dependent on cooperation by the US for many years, even if the EU and its Member States get their act together, agree on a clear plan of European defence and execute it. We share with the US interests and values, despite the weakening of America's democracy in the last months. We also must face together as allies the threat of Chinese global hegemony. It would be a mistake to throw away more than a century of Atlantic pacts (since World War I). Differences with Washington can be worked out with infinite patience and endless negotiations on the part of Europeans, who should think of themselves as "latent Atlanticist". The economic and financial engine of the EU needs to be fixed urgently and the challenge of migration tackled with better ideas and means than the slogans used by extremist parties.

Finally, in the new geopolitical era, it is necessary to avoid the trap of realism. This increasingly widespread view should only serve to analyse international relations as they are, but not as they should be. The use of force cannot become the first principle of international relations. Realism is useful for understanding how the distribution of global power is changing, but very harmful if it serves to dismiss any normative vision that advocates diplomacy, negotiation, a world order based on rules and the work of international organisations. This vision is profoundly mistaken: it denies that moral progress exists and leads to paralysis and resignation. Above all, it could not be more alien to the meaning of the word Europe, the name of our civilisation.

A few months ago, Michael Ignatieff, the Russian-born Canadian intellectual and politician, participated in a debate about his latest book, "On Consolation", in Madrid. At the colloquium, a young woman argued that she did not want to have children because the future was deeply hopeless, due to the accumulation of threats that weigh on our societies. Professor Ignatieff responded: "We have to look for hope in the past. Our great-grandparents, grandparents and parents lived through even more difficult times, they decided to fight and move on". Thanks to them, we Europeans know what we must do now.