

Europe's next watershed – how liberal Europe should react to Trump 2.0

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Credit: RYAN M. KELLY / AFP

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ACKNOWLEDGEMENTS / DISCLAIMER

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Executive summary

The return of Donald Trump to the White House and his “America first” doctrine inevitably poses a fundamental challenge for the EU. Trump’s second presidency represents a new watershed moment: the policies of the next US administration are not just likely to put Europe at a global disadvantage, they will threaten its core objectives of prosperity, sustainability, security, and democracy. This is why European countries will have to act decisively to safeguard the bloc’s unity and strengthen its autonomy in a changed world.

Assuming that a second Trump administration will resemble the first would be a serious error. Trump has become more extreme in his policy positions, while facing fewer constraints and operating in a more favourable international environment. As a result, preparing for a worst-case scenario may be a wise approach.

Trump’s adversarial, zero-sum approach to international trade is likely to undermine the structures and processes of multilateral economic governance. Measures such as tariffs also threaten the EU’s growth and competitiveness and risk deepening divisions within the bloc.

Global progress towards greater sustainability is certain to suffer. A disengagement on behalf of the US from its leadership role in environmental and climate governance will be a significant setback in these efforts. Should the US turn away from its climate goals, this would send a strong signal to other countries that these objectives are no longer a priority.

On security, any potential benefit that a Trump presidency might produce in terms of strengthening EU unity is strongly undermined by his stance on Ukraine, which is set to increase the threat facing Europe from Russia. A US-imposed ceasefire would be no guarantee of lasting peace or security for Ukraine or for Europe.

In response, the EU and its members will have to take a much bolder and more proactive role, sharply increasing Europe’s own military capabilities and spending. Policies that signal a tolerance for the use of open and covert force, in violation of international law, will also have profound consequences for global security.

Far-right and anti-democratic forces within Europe are likely to be emboldened by an incoming Trump government. His actions to exploit Europe’s political divides are set to put significant pressure on European integration – a project Trump will have no qualms in undermining. The entrenchment and normalisation of Trump’s style of populist, divisive politics and ‘us against them’ rhetoric risks eroding democratic debate more broadly. His amplification of falsehoods and disinformation will undermine public trust in the US and beyond, and could also boost political figures adopting similar strategies in Europe.

There is strong potential for Trump’s anti-establishment narrative to gain further ground in Europe, and Europe’s illiberal, regressive and new-nativist forces will no doubt seek to harness this to increase their power. Should they be successful, there is a very real risk of the EU becoming hollowed-out and ineffectual. In this context, achieving consensus and acting with unity will be a greater challenge than ever for the EU27. Those within the EU who are prepared to take the necessary steps to rise to the challenge posed by Trump may have to explore unconventional forms of cooperation to act effectively. Moving forward in this way poses its own legal and political risks. But with European democracy at stake, it may be the only path to achieving the necessary level of ambition and unity to mount a strong response to Trump 2.0.

Introduction

The re-election of Donald Trump as President of the United States has, predictably, created much unease in Europe, not least given the memories of the fractious relationship during his first administration (2017-2021). However, there are signs that many are already relativising what his potential impact will be, hoping that (liberal) Europe can simply wait out his (final) presidency.

That is a mistake: Trump's re-election is qualitatively different from its first iteration, and much more challenging. It is a clear danger to European and global prosperity, sustainability and security, as well as to liberal democracy. And it will test European integration, even European collaboration, to its limits. It thus

represents a new watershed moment as significant as Russia's invasion of Ukraine.¹

Yet, European leaders are confronted with the dilemma that they cannot and should not share this assessment in public. So great is Europe's security and economic dependency on the US that they do not want to be the ones creating dynamics on the other side of the Atlantic that could be greatly damaging for the EU. However, ultimately, liberal Europe must stand up and defend its interests by holding on to its values and strengthening its strategic autonomy, even if not all EU countries are ready to do so from the outset.

Trump 2.0 not Trump 1.0

In part, the greater threat of Trump 2.0 is a function of the differences to his first administration. He is much more experienced, better prepared and thus more able to carry out his plans than he was between 2017 and 2021. He is much less constrained by his party and his administration, with the main criterion for appointments seemingly being absolute loyalty. He is even more convinced by his infallibility and believes he was and continues to be right on all issues. He is out for revenge against all those who thwarted him the first time around – both within and outside the US. Trump is likely to try to do what he promised during the election campaign, despite these promises having become more extreme than last time around; this is one of his great selling points to his supporters, together with his voters' belief that he shares their anger towards the 'old establishment'. He will be operating in a global environment that is rather more favourable to his style of politics. Finally, he won the popular vote and can rely on a convincing mandate, with control of both House and Senate, while also benefiting from a Supreme Court supporting his positions.

Trump is likely to try to do what he promised during the election campaign, despite these promises having become more extreme than last time around.

Of course, there are also possible constraints. Many of Trump's policies go against the long-term interests of the US; alas, rational, forward-looking policymaking is unlikely to trump the impulsive nature of Trumpian decision-making. Some of his objectives may be unachievable, for instance, deporting millions of immigrants might well prove to be practically impossible, not least given the negative impact it would have on the US economy. But any attempt to deport large numbers would have a significant political impact, regardless of its success.

There will, of course, continue to be internal opposition, with many US states taking a different stance and retaining a wide range of powers in particular regarding domestic policies. But the opposition is weakened, divided and without a clear leadership, and the US president has wide-ranging powers especially when it comes to external relations. True, internationally, the US is neither the single hegemon it once was nor the undisputed leader of the liberal world order. But for a more illiberal, isolationist and mercantilist president this could be a bonus rather than a limitation.

Trump is an interventionist isolationist. He only cares about the US and has no hesitation to intervene when he sees the country's interests at stake, no matter the cost to others. Trump's expressed designs on Greenland and Panama, as well as his comments on Canada, might appear bizarre but they are nevertheless serious. They show the kind of approach he is going to take with allies and neighbours, with no consideration for their priorities or sovereignty. From a European perspective, it seems prudent to start with the worst-case assumption, given all we know about Trump's nature and his intentions. Expecting the worst may ultimately help to avoid the worst.² This *Leitmotiv* needs to be considered right across all of the EU's fundamental objectives: prosperity, sustainability, security, and democracy.

Prosperity – my country first, no matter the cost

Trump will usher in a new phase in globalisation, which will be more contested, conflictual and where “might is right”, and where the multilateral trading system will be further marginalised. He has a mercantilist mindset, seeing all US trade deficits as evidence of unfair practices. His response is the threat of tariffs, which will be somewhat negotiable, depending on how far countries acquiesce to his demands. But regardless of the levels of tariff that will, in the end, be imposed, this approach destroys the last remains of the liberal economic order, politicising trade and reducing welfare and prosperity for all. Trade under the Biden administration was no walk in the park; many of the policies of Trump 1.0 were retained and the impasse around the WTO was not resolved. But Trump will go further this time, with even greater impact.

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Trump will also use tariffs and trade as a mechanism to divide and conquer. He will try to drive a wedge between those countries and individuals he sees as loyal (i.e. who do what he wants them to do) and those he sees as opposing him. He will use America’s economic might to reward his friends and incentivise divisions, including, for instance, aiming to alienate the UK from the EU. The nativists in Europe will be rewarded, no matter how questionable their stance on China or Russia, while pluralist, liberal, open democracies will be dared to use their trade defence instruments against America’s might. Companies will be equally squeezed to support Trump’s agenda, whether they are US-based or have significant economic interests there. Extraterritoriality is back with a vengeance.

President Trump is highly likely to apply this medicine particularly to China. At the same time, great power competition will intensify and securitisation, as well as protectionism under the guise of security, will continue to increase. Europe will be caught in the middle, directly or indirectly. For instance, restrictions on Chinese products reaching the US market will inevitably impact Europe, widening the issue of overcapacity. But there will also be direct consequences, in particular regarding access to resources and technology. In many instances, Europe will have to choose between the US and China, reducing European growth and competitiveness either way.

Sustainability – off the global agenda

Trump is clearly not committed to sustainability. While he might retain the (recast and renamed) IRA (Inflation Reduction Act)³ for domestic reasons, he will withdraw the US from international commitments. He will continue to expand resource exploitation in the US (“drill, baby, drill”), deepening Europe’s competitiveness crisis through low energy prices for US production. He will also give a signal to the rest of the world that the US is not willing to accept responsibility for past emissions but rather accepts rising emissions in pursuit of its own economic growth: America first, sustainability nowhere to be seen. None of his actions are going to drive the global economy towards greater sustainability. On the contrary, he will do all he can to undermine the global system. This will strengthen fossil fuel advocates around the world, who will argue that there is no point pursuing current climate goals if the US is not on board. Arguably, we are already seeing the impact on the global system, with the underwhelming results of the Baku COP29,⁴ held right after the US election, at least in part already anticipating a different stance from the Trump 2.0 administration.

None of his actions are going to drive the global economy towards greater sustainability. On the contrary, he will do all he can to undermine the global system.

Security – less security for more effort

A potentially positive aspect of a Trump Presidency is that it will drive Europeans to work more closely together and to take more responsibility for the security of their own neighbourhood. However, it remains to be seen whether we will see greater defence cooperation, or even more political fragmentation among the EU27. In any case, Trump's stance on Russia outweighs this possible benefit. Russia has not only invaded Ukraine – Putin's war of aggression is a direct threat to Europe's security.

Trump has argued that he can bring this war to an end, and it seems likely that he will try to impose some form of ceasefire on Ukraine. This will not resolve the situation in the medium term but rather be an interlude before the next act of Russian aggression, given the nature of Putin's Russia as an expansionist and revisionist power. A lack of US support for Europe combined with weaknesses within NATO already highlighted by Trump might well embolden Putin to go further on Ukraine, in the neighbourhood and, eventually, with NATO itself, risking a global conflagration.

The only possible response to such a ceasefire is for Europe to do more, not less, to keep Russia in check. Rather than sitting back and enjoying the illusion of peace, Europe will have to prepare for further conflict to come, by continuously supporting Ukraine, protecting other states in Russia's firing line, and substantially increasing its own military capabilities and spending. Only by recognising Putin's threat to European security

and by being ready for war, can Europe “hope to draw a line in the sand that Putin might not dare to cross”.⁵ This will be the case even if the US continues to support Ukraine in its defence against Russia. However, it remains to be seen whether liberal Europe can rise to this challenge without fragmenting under increasing pressure from Trump.

Trump is not focused on creating a workable security architecture in Europe. His recent demands that NATO allies should spend 5% on defence and security are unattainable, as he well knows. It is a move designed to justify any future actions he may take, be it extorting economic concessions, including on military spending, or in further withdrawing support from NATO and Ukraine.

But the security repercussions go beyond Europe. Putin has already involved other countries in this war, extending the resulting instability into the Asia-Pacific. He has flouted international rules, committed war crimes and has trampled the UN Charter with its commitment to territorial integrity and sovereignty into the Ukrainian dust. Legitimising this behaviour and letting Putin benefit from this war of aggression will further accelerate the demise of global governance, creating an additional source of instability. It encourages rogue actors to use open and covert force, disregarding any rules, and it will drive global nuclear proliferation as countries scramble to protect themselves.

Threats to liberal democracy

Chances are very high that Trump 2.0 will further increase fragmentation and polarisation in Europe and beyond. Within Europe, illiberal and neo-nativist leaders have already welcomed the election result. They are likely to remain Trump's supporters and voice in Europe, as well as his trusted advisors, arguing that they represent the new dominant form of ‘illiberal democracy’, driven by renewed nationalism and far-right policies. Trump's presidency will further embolden these anti-democratic parties, increasing their demands for political power to reflect this new “mainstream”, as seen in the formation of the next Austrian government, for example.

But Trump himself will also be ready to sow divisions in mainstream politics, and he will listen to Hungarian Prime Minister Victor Orbán and his other European allies, who will try to use the new US president to help them hollow out the EU from within – one of their ultimate strategic objectives. They are also likely to follow Trump's lead on Russia, as seen, for instance, by Slovakia's Robert Fico's recent meeting with Putin.

In this situation, the temptation for some centrist leaders to tone down their support for Ukraine or to use more draconian measures against immigrants following the example of Trump 2.0 can easily divide the EU27. As a result, European integration itself will come under increased pressure, intensified by Trump, who despises multilateralism in general and the EU in particular.

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But the threat to democracy goes further. Trump's style of populist, divisive politics, relying heavily on misinformation and an 'us against them' logic, is not only undermining democracy and the rule of law in the US, given its many proponents in Europe. Disregard for legal principles and democratic safeguards, the dictatorship of the majority and the normalisation of deliberate falsehood, personal attacks and extremist language are already undermining political culture in Europe, as well as in the US – and what happens internally on the other side of the Atlantic has strong effects on the future of democracy in Europe.

Some of Trump's actions have been direct attempts to act against democracy – such as the storming of the Capitol. But even without such direct action, the use of new technologies by internal and external actors as effective means to manipulate populations puts liberal democracy at risk. It is particularly worrying to see the likes of Elon Musk supporting and, to some extent, delivering, Trump's election (promises) and intervening directly in European democracy, supporting undemocratic forces and attacking elected governments. Other technology giants are also likely to side with the

winner, given the potential economic gains they stand to make and/or potential difficulties they might otherwise encounter. The recent announcement that there will be no more independent fact-checking by Facebook or Instagram is a case in point, with Meta Chief Executive Mark Zuckerberg all but admitting outright that this is to appease Trump.

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What should liberal Europe do now?

Liberal Europe must not kid itself: countering Trump will be an enormous challenge that, at best, will only be partially successful. Painful divisions will emerge within the EU, and we will struggle to hold on to our values and defend our interests. Globally, few share these concerns. In many places around the globe, Trump is seen with hope as a peacemaker and expectations are high, especially in the Middle East. Here, much of liberal Europe failed to uphold the principles it had set for itself, which opens the door for Trump to portray himself as an anti-establishment actor who can fix complex and longstanding conflicts, liberated from any global rules.

While Trump is likely to disappoint many of these hopes in the end, for the moment liberal Europe stands with just a handful of like-minded nations. China is, of course, looking at Trump with a more wary eye, but even in Beijing many think that a deal with Trump is possible, and that Trump's destruction of global structures might well turn out to be beneficial for those promoting the advance of a new global economic and political order.

Within Europe, many will buy into this narrative of a failed establishment that need to be swept away, and this includes the European Union as we know it. Ambitiously "acting all together" is virtually impossible in such an environment – Trump 2.0 will aggravate the ambition-unity dilemma among the EU27.⁶ Europe's illiberal and new-nativist forces will be on Trump's side and will seek his help to hollow out the EU, while many in the liberal, pro-European camp will not be on the same page. There

is even a chance that they will blame each other for what has happened or for the difficult trade-offs that will have to be made.

The crucial test here is on security: will Europe rise to the challenge to do more together under Trump, rather than less? Will Trump split old from new Europe, given the threat being far more directly felt in the North and the East? Europe must try to limit the damage Trump will cause when he imposes a ceasefire on Ukraine by ensuring that the deal comes with the right conditions and security guarantees. In that scenario, Europe will also need to prepare for future direct and indirect confrontations with Russia; only by preparing for war can Europe hope to limit Russian aggression.⁷

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If the necessary level of ambition and unity cannot be brought together among the EU27, those who are ready to do more need to think and act outside of the box. They may need to find ways to cooperate outside of the traditional EU framework, even if this has to be organised in an intergovernmental manner.⁸ This will be legally and politically risky for the 'old EU', but it might be necessary for Europe to deal with the massive watershed moments in the most recent chapters of the permacrisis that we have been living through since 2008.⁹

Opposing what Trump stands for does not mean that Europe is moving closer to some other global powers. On the contrary, precisely because Europe is strongly

linked with the US, Trump 2.0 is set to have a potentially devastating impact. It remains to be seen how liberal Europe will respond – by either finding ways to defend its interests and hold on to its values, or by becoming further fragmented and polarised, unable to act effectively enough in the face of the multiple dangers it has to confront. The future holds a potential, albeit difficult path towards greater joint strategic autonomy for liberal democracy in Europe, equipping it to address the threats it faces. But if those who are willing to move forward will not invest the political capital needed to do so, the 'old continent' will witness the demise of European agency, and the further decline of liberal democracy. A watershed moment indeed.

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- ¹ See Zuleeg, Fabian (2022), "A watershed moment in European history: decision time for the EU", *EPC Commentary*. Download available at: <https://www.epc.eu/en/publications/A-watershed-moment-in-European-history-Decision-time-for-the-EU~4628f0>.
 - ² See Emmanouilidis, Janis A., and Zuleeg, Fabian (2022), "Europe's moment of truth: United by adversity?", *EPC Discussion Paper*. Download available at: https://www.epc.eu/content/PDF/2022/Europes_moment_of_truth_DP.pdf.
 - ³ For more information on the Inflation Reduction Act see here: <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>.
 - ⁴ For more information see here: <https://cop29.az/en/home>.
 - ⁵ Zuleeg, Fabian (2024), "Calm after the storm? A Trump-imposed ceasefire means doing much more to protect Ukraine and Europe", *EPC Commentary*. Download available here: <https://www.epc.eu/en/Publications/Ukraine-ceasefire-EU-impact~6040a0>.
 - ⁶ See Emmanouilidis, Janis A. and Zuleeg, Fabian (2022), "Overcoming the ambition-unity dilemma", *EPC Discussion Paper*. Download available at: https://www.epc.eu/content/PDF/2022/Overcoming_the_ambition-unity_dilemma_DP.pdf.
 - ⁷ See Zuleeg, "Calm after the storm?", *op cit*.
 - ⁸ See Zuleeg, Fabian, Möller, Almut, Emmanouilidis, Janis A. (2024), "Confronting the permacrisis: Time for a supra-governmental avantgarde", *EPC Discussion Paper*. Download available here: <https://www.epc.eu/en/publications/Confronting-the-permacrisis-Time-for-a-supra-governmental-avantgarde~5c8d5c>.
 - ⁹ See Zuleeg, Fabian, Emmanouilidis, Janis A., Borges de Castro, Ricardo (2021), "Europe in the age of permacrisis", *EPC Commentary*. Download available at: <https://www.epc.eu/en/Publications/Europe-in-the-age-of-permacrisis~3c8a0c>.

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