COMPENDIUM

16 JANUARY 2025

Trump returns: The challenges ahead for the EU

Credit: CANVA

Table of contents

ACKNOWLEDGEMENTS / DISCLAIMER

The support the European Policy Centre receives for its ongoing operations, or specifically for its publications, does not constitute an endorsement of their contents, which reflect the views of the authors only. Supporters and partners cannot be held responsible for any use that may be made of the information contained therein.

Introduction

Johannes Greubel, Head of the Transnationalisation programme and Connecting Europe

Elizabeth Kuiper, Associate Director and Head of the Social Europe and Well-Being programme

Eric Maurice, Policy Analyst, European Politics and Institutions programme

Donald Trump's inauguration as 47th President of the United States (US) on 20 January 2025 already casts long shadows globally and across the European Union (EU). The prospects of a much better prepared and unrestrained Trump in the White House pose significant challenges to European leaders and institutions, with the risk of dividing them with his transactional approach to global politics. In pursuing his "America first" agenda, he can count on the support of the US Senate, the House of Representatives and a benevolent Supreme Court. Moreover, Big Tech companies have contributed significantly to Trump's Inaugural Fund and have cosied up to support him prior to the start of his second term.

How will the second Trump presidency impact Europe, and how should the Union and member states prepare? This compendium aims to address these pressing questions from a comprehensive and transversal perspective. Contributions from analysts from different EPC programmes shed light on implications ranging from foreign policy to climate action and democracy.

As Fabian Zuleeg and Janis A. Emmanouilidis argue in their contribution, Trump 2.0 represents **"Europe's next watershed"** moment. This is a watershed in three distinct dimensions, as illustrated by the contributions of the authors.

First, Trump's presidency constitutes an **external shock to the EU and its policies**. Its impact will be felt across the policy spectrum. Almut Möller highlights the massive challenges to **European security**. This will also be felt on **Russia's war in Ukraine**, particularly in case of a ceasefire, as Fabian Zuleeg adds. Furthermore, Berta López Domenèch argues that Trump's presidency will impact the Western Balkans – and the EU's approach to the region – while Varg Folkman explores the implications for **economic security, technological competitiveness and trade**. As anticipated, Trump is also set to undermine **international climate action**, as Brooke Moore and Ana Berdzenishvili write, and also impact issues around the **EU's migration agenda** (Helena Hahn and Emma Ugolini) as well as **global health policies** (Elizabeth Kuiper).

Beyond his impact on policy, Trump also exposes – and amplifies – **Europe's domestic challenges**, including the rise of the far right and backsliding of democracy in the EU. Emma Woodford and Chris Kremidas-Courtney predict a significant blow for **civil rights in Europe** and beyond. Javier Carbonell and Tabea Schaumann analyse how Trump's presidency will further fuel **the rise of far-right parties in Europe** – a trend already visible in the weeks leading up to his inauguration.

Finally, Trump's presidency raises a third major challenge tied to the growing **role of Big Tech**. Elon Musk's meddling in global and European domestic affairs followed by Meta's recent announcements mark the beginning of a period of escalating influence for Big Tech – potentially signalling the end of the Brussels effect. Chris Kremidas-Courtney and Joe Litobarski conclude this compendium with their take on how Europe can prepare for **the new alliance of Trump and Silicon Valley**.

The full extent of the impact of the second Trump presidency is only dawning on the world, and it is likely to affect many other sectors of the global order, transatlantic relations and European politics. The EPC will continue to analyse the multifaceted challenges that the EU will face in the next four years and beyond.

Europe's next watershed

Fabian Zuleeg,
Chief Executive and
Chief Economist

Janis Emmanouilidis,
Deputy Chief Executive
and Director of Studies

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 populistic, 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.

This contribution is an extract from the discussion paper "Europe's Next Watershed – how liberal Europe should react to Trump 2.0", available to read in full on the EPC website.

European foreign and security policy under the next US administration

Almut Möller,
Director for EU and Global Affairs and Head of the Europe in the World programme

The change in US administration is the strongest possible wake up call for the EU that foreign and security policy is not an end in itself, but rather a means to deliver security and prosperity for its own citizens. The EU will have to deliver in an extremely challenging global environment, at times with an openly malign strategic partner on the other side of the Atlantic. Given that the US has contributed to keeping many Europeans safe and prosperous for decades, this change is profound.

The foreign and security policy impact of Trump will be happening fast, and it will affect the very foundations of transatlantic cooperation. The EU and its member states have to significantly step up to compensate for this rapid change. This includes adopting an accelerated working mode. Over the years, the EU has developed a foreign and security policy practise, drawing on the power of respective member states to underpin collective action. This has often been a bumpy road, with intra-institutional quarrels and failures but learning and progress too. Overall, the EU was able to grow in this role in a benign environment. This has fundamentally changed. The UK's departure was a huge blow to collective EU power and global tectonic shifts have come with unprecedented tests, including to multilateralism itself. And, existentially, Europe has been confronted with Russia's war of aggression against Ukraine and its threats against EU member states' territorial integrity.

Trump's return accelerates the need for the EU and its members to work harder to defend their own interests. Europe has a strong interest in keeping the US as a key ally and guarantor of European power and security. However, Washington will now be in search of a new deal.

The new US president promises to pursue a strict "America first" approach, great power competition, and disruption. All of this will happen with a modus operandi of unilateral decisions and erratic unpredictability, which will challenge the usually longer cycles of foreign and security strategy, and will be particularly difficult for the EU to adapt to.

As President Trump sails off to implement his mandate with strong tailwind, the strategic question Europeans need to be asking themselves is: What role does the partnership with the US play in preserving prosperity and strengthening security for Europeans?

The changing US outlook on global affairs brings great uncertainty for the EU and its member states, but also for the rest of the world. Yet there are murmurs, including in parts of Europe, that Trump can be a force of good, doing things differently with better outcomes. Russia, China and others might welcome what they see as the decline of the US as a world power, leaving breathing space for their own ambitions. This makes liberal-minded EU member states look rather lonely. The EU has strong stakes in convincing others that the world is a better place if it is based on reformed multilateralism and a commitment to collective action.

Fundamentally, it will be crucial to continue investing rigorously in European security – financially, militarily, strategically and politically. This includes renewed collaboration with the UK, both at EU level and in bi- or mini-lateral configurations of member states. The EU needs determination for EU/NATO cooperation, taking advantage of the opportunity that the new leadership in NATO offers. The upcoming White Paper on Defence by Defence and Space Commissioner Andrius Kubilius will be an opportunity to create buy-in among European governments for the EU to help member states deliver on NATO commitments. This will be key to send a strong signal to the other side of the Atlantic that Europeans can get their act together.

The European Commission and External Action Service should allocate more resources to accelerate building alliances around the globe for a reformed and more inclusive multilateralism, such as through stronger strategic presence on the ground in middle powers.

Overall, the EU needs to be prepared for conflict with the US on a much larger scale than in the past, and will have to carefully assess how to navigate this. And it must also prepare for internal conflicts on transatlantic files and find a mode to handle these internally to counter US attempts to divide Europe.

What the EU must do if Trump imposes a ceasefire

Fabian Zuleeg,
Chief Executive and
Chief Economist

US President-elect Donald Trump aims to end the war in Ukraine quickly, potentially absolving the US of its military, financial and political commitments to Ukraine. But what we do not know is whether Trump will really do what he says nor how successful he will be. He is notoriously unpredictable, and a threatened ceasefire might be a bargaining chip rather than the real aim. Nor can we predict whether the Ukrainians will acquiesce, given the existential nature of the threat, or whether Russian President Vladimir Putin will accept such a ceasefire.

The challenge for the EU and its member states will be to manage the unpredictability of Europe's key security provider. This requires thorough "what if" preparations. If Trump does keep his word, what will this mean for Ukrainian and wider European security?

It is important to emphasise that this is a discussion around a ceasefire, not peace. Whatever is achieved now will most likely be an interlude before the next act of Russian aggression – we have been here before. Putin, undeterred, may target a weakened Ukraine or other states like Moldova and Georgia. Russia's alliances with regimes such as North Korea and its actions in Africa and the Middle East add to global instability. Additionally, a Russian victory would signal to the world that the only guarantor for independence and territorial integrity are nuclear weapons, leading to nuclear proliferation.

Lastly, while it is unlikely that he would seek a military confrontation with NATO's Eastern flank in the short term, a continual testing of the West's defences strongly increases the risk of a potentially catastrophic accident. Putin's Russia is expansionist by nature, seeking domination over its neighbourhood. Rather than resolving the situation, a ceasefire vastly increases the risk of a future confrontation, with even more catastrophic outcomes.

What can the EU and its member states do? While the EU should have done more to support Ukraine to win the war, in the near future the EU can only limit the damages. This means ensuring that any ceasefire deal is as favourable as possible to Ukraine. Zelensky hopes the territories still under Ukraine's control might receive NATO protection, but it is unclear how far NATO countries are willing to commit to membership at present. Whatever Ukraine's future NATO status, there should be no limitations enshrined in the deal for Ukraine to arm itself or to be armed. Moreover, Europe should be willing to put boots on the ground in case of a ceasefire; it is the only way to ensure such a ceasefire would hold.

The EU should also put EU membership on the table, or at least ensure that Russia does not exercise a veto on Ukraine's European future. It is important to find the political will for this option within the Union. The EU should also push for the return of occupied territory, require Russian funds for reconstruction, demand the return of prisoners of war and abducted children, ensure nuclear safety, guarantee Black Sea access, and mandate the withdrawal of North Korean troops.

Much of what will need to be delivered under a ceasefire will have to come from Europe, including a commitment to a continuous strengthening of Ukrainian armed forces and significant funding and risk guarantees for Ukrainian reconstruction. Europe must be ready to further strengthen its defence industry, to defend itself against an expansionist Russia, as well as buying more US weapons. Defence spending among NATO countries will have to reach 3% of GDP, which will also entail borrowing more both at national and EU level, potentially also outside the current Multiannual Financial Framework (MFF).

Should a Trump-imposed ceasefire become a reality, Europe will have to do – and commit – more rather than less. Conflict with Putin's Russia is inevitable; however, if Europe acts, it can at least hope to prevent the worst: a full-scale war.

An unjust and unstable ceasefire will force Europe to prepare for further conflict to come. 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 when this ceasefire inevitably breaks down.

This contribution is an abridged version of the commentary "Calm after the storm? A Trump-imposed ceasefire means doing much more to protect Ukraine and EUrope", available to read in full on the EPC website.

What does Trump's comeback mean for the Western Balkans and the EU's role in the region?

Berta López Domenech,
Policy Analyst, European Politics and Institutions programme

Donald Trump's victory was hailed by autocratic leaders across the EU, as well as in the Western Balkans – celebrating the strengthening of the transatlantic alliance of like-minded far-right leaders. In Banja Luka, the administrative centre of Republika Srpska, the President of the entity Milorad Dodik hosted a party to celebrate the magnate's return. Dodik has long hoped that the re-elected US president would lift sanctions against him and support Republika Srpska's secessionist aspirations: "I expect that the new US administration will [...] support local leaders in deciding their own future", he wrote on X.

Meanwhile, in Sarajevo, some fear that Trump will embolden Serb nationalist leaders and their revisionist agendas, threatening the territorial integrity of Bosnia and Herzegovina and undermining the already fragile stability of the region. The prospect of the controversial proposal of a land swap between Kosovo and Serbia being back on the table has also raised alarm bells in Pristina. Since the end of the Yugoslav dissolution wars in the 1990s, the US has been the main security provider and guarantor in the region. The US and EU's diplomatic efforts in the Western Balkans have focused on maintaining the region's stability, in some cases at the cost of its democratic transformation.

The Western Balkans were not among the Biden administration's political priorities, nor will they be for the incoming US executive. Trump's foreign policy interests lie elsewhere, and his diplomatic efforts will be focused on China, Ukraine and Russia, as well as on the Middle East. Most observers agree that the Western Balkans will experience the consequences of Washington's actions and decisions in other parts of the European continent – and the world – rather than through its direct involvement.

In this sense, a peace deal in Ukraine that is favourable to Russia's interests would shake the stability of the Balkans and undermine the EU's stakes in the region. It would bolster the idea of a violent armed conflict in the region, while also encouraging Eurosceptic and illiberal political leaders to strengthen ties with Russian President Vladimir Putin. Moreover, pro-Russian propaganda portraying Moscow as having defeated the West would easily spread across the region, boosting pro-Russian sentiment among citizens.

Under his "America First" doctrine, Trump's engagement in the southeast of Europe will most likely follow a transactional logic and be driven by economic interests. During Trump's first mandate, his administration already cultivated close relations with Serbia's President Aleksandar Vučić, particularly through business opportunities. In May 2024, Trump's son-in-law Jared Kushner secured a deal to build a luxury hotel in the centre of Belgrade. But Serbia isn't the only Balkan country Kushner showed interest in: he is also planning on building a touristic resort on the southern coast of Albania.

The prioritisation of business opportunities over the promotion of rule of law and democratic standards will not play in favour of the region's EU membership aspirations, and the transformation that the EU accession path requires. This will presumably embolden the undemocratic behaviours of illiberal Balkan leaders and undermine the EU's leverage to push for transformative reforms. Furthermore, Trump's close ties with Viktor Orbán will allow the Hungarian Prime Minister to continue extending his illiberal tentacles through the Western Balkans, building up his role as a strongman and interlocutor in the region.

All in all, one would hope that the return of a far-right illiberal populist to the White House would be a wake-up call for EU leaders to move towards greater internal cohesion and an upgraded geopolitical strategy. In the Balkans, this would mean adopting a more proactive and coherent engagement in the region, with rule of law and democracy promotion at the centre. Restoring the credibility of the EU membership promise to the Balkan aspirants and reaching a consensus among the EU27 on a roadmap for enlargement is, and will continue to be, indispensable.

Tough on trade has become Trump's calling card

Varg Folkman,
Policy Analyst, European Political Economy programme

At a recent European Commission Conference on manufacturing overcapacity in China, attendees from the US had a stark message for the EU: It's a question of when, not if, Donald Trump will launch trade investigations into EU goods and services.

There seems to be little EU officials can do to stave off some kind of restrictive trade measures from the new Trump administration. Even if the EU offered to join Trump in his charge against China, it could be too little too late.

Although Trump is likely to harden his trade stance, to what degree is uncertain. This is evident in the staff selection for his new administration. The trade hawk Robert Lighthizer, US trade representative under Trump I, has allegedly been frozen out of the administration in favour of more Wall Street-friendly picks for top economic jobs – not a faction fond of protectionism and across-the-board tariffs – although Jamieson Greer, a Lighthizer acolyte, will become the next US trade representative.

Either way, the outlook is a bleak one for Europe. The EU has run up an ever-larger trade surplus vis-à-vis the US, and Trump famously hates those. Specifically, Trump has singled out the German auto industry for his ire – an industry already on the back foot.

Even more worrisome for the EU are the potential effects of Trump's likely offensive against China. Closing off the US market to Chinese goods, even those redirected through third countries like Vietnam and Mexico, will leave Chinese producers with a lot of goods that might as well be exported to the EU.

The EU is already reeling from an influx of Chinese exports in clean technology sectors like electric vehicles and batteries. This has sparked serious fears of a second China trade shock and set off a trade investigation resulting in tariffs on electric vehicles produced in China.

In the middle of all this, the Commission is trying to get its initiative on economic security off the ground. With its forthcoming Economic Security Doctrine, the Commission will try to formulate how it will attain value chain resilience and deter rivals from undermining EU economic policy.

It is uphill work from the start. Strategic sectors in the EU are already struggling. Headline investments in chips manufacturing have been pulled and Northvolt, the EU's great hope to rival Chinese battery producers, recently entered Chapter 11 bankruptcy protection in the US. Electricity prices remain at an uncompetitive level and the bloc is highly reliant on China for critical inputs.

In the face of this adversity, EU member states claim that unity is needed. But it's hard to see evidence of that unity in practice, and there remain serious doubts whether the EU27 can stay united against increased pressure from Trump.

A push for economic security will mean an effort to become less dependent on an increasingly adversarial US as well. That is an awkward fact yet to be faced head on by the EU. It's easy to forget, but the initial impetus for the Anti-Coercion Instrument was to defend the bloc from US extraterritorial coercion, although China subsequently became its primary aim.

Facing the reality of Trump might unite the EU behind the economic security agenda, but it is just as likely that any semblance of unity will crumble under the cross-pressure of Trump and Xi Jinping's policies.

The Trump effect: The EU's role in a new era of climate policy

Ana Berdzenishvili,
Junior Policy Analyst,
Sustainable Prosperity for
Europe programme

Brooke Moore,
Policy Analyst, Sustainable
Prosperity for Europe programme

Donald Trump's return to the White House raises legitimate fears over the trajectory of climate action. As a major geopolitical player and top emitter, the US significantly influences global climate dynamics. Consequently, the implications of the Trump administration's actions will reverberate far beyond US borders. The EU must remain vigilant, monitoring US developments while crafting responses that align with its climate goals, demonstrating through the European Green Deal how sustainability, economic prosperity and security go hand in hand.

The previous Trump administration's efforts to ease drilling restrictions and dismantle environmental protections are poised to resume, now with backing from a Republican-majority Congress and a conservative-leaning Supreme Court. Even before the elections, Congress moved to weaken air quality standards, while the Supreme Court limited the Environmental Protection Agency's (EPA) regulatory powers. The weakening of US federal climate ambitions will add pressure on the EU to step up its climate initiatives and fill this void. Critically, the EU must meet its 2030 and 2050 climate objectives and commit to its proposed goal of 90% emissions reduction by 2040, while strategically navigating prospects for both cooperation and competition.

Against this backdrop, the incoming Trump administration could significantly reshape the global cleantech landscape. Currently a leader in clean technologies like EVs and solar, the US risks losing its edge should it scale back policies like the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) that encourage cleantech innovation.

The EU should remind the US of the competitiveness- and security-related advantages of continuing the green transition, while leveraging the proven capacity for bipartisan collaboration. Doing so can help maintain transatlantic cooperation, particularly at the sub-federal level.

Should the US fall behind, however, it would create an opening for competitors to advance – one that European industry must seize, or risk letting countries like China take the lead. The EU already outperforms the US and China in many environmental, social, and governance metrics. Top-performing member states set global benchmarks in green innovation and are closing gaps in early-stage investments, challenging China's second-place position in the global cleantech race. To capitalise on this momentum, the EU must double down on its cleantech efforts and achieve greater convergence across its member states, demonstrating that leadership is not just about filling gaps, but setting the pace.

At the same time, protectionist measures, including a probable carbon border tax and import fees, may soon challenge the EU, disrupting trade and collaboration, while further isolating the bloc. While these threats are indicative of Trump's transactional tactics, the EU must engage strategically without compromising its steadfast commitment to climate action.

In the long run, tensions with the US may prompt the EU to explore partnerships with China or India, a risky endeavour not solely due to potential US backlash, but because collaboration may lead to greater dependency on such actors. As global competition intensifies, the EU must thoroughly assess its stance toward major powers, bearing in mind its values, climate goals, economic interests and security.

Globally, a US retreat from climate commitments, could further stall international progress and weaken multilateralism, as evidenced by the recent climate talks in Baku. Spurred by perceptions of EU double standards and unmet climate commitments, nations like China or India may take the opportunity to lead on global climate governance, strengthening their geopolitical roles while potentially lowering climate ambition thresholds.

Redefining its role in global climate action is a critical task for the EU, running parallel to its broader geopolitical and economic security priorities. This begins domestically by aligning environmental progress with economic competitiveness and security, showcasing its viability. The EU must extend this approach outward by forging value-added green partnerships with developing countries and middle powers, while increasing climate financing to enhance credibility.

The EU has both the compass and the capability to keep progress on track. By reaffirming its commitment to the Green Deal, seizing opportunities for innovation, and bolstering international partnerships, the EU can help avert the worst consequences of climate change while buttressing its position as a global climate leader.

Trump 2.0: an opportunity for the EU to boost labour migration?

Emma Ugolini,
Programme Assistant, European Migration and Diversity programme

Helena Hahn,
Policy Analyst, European Migration and Diversity programme

While much attention has been devoted to Donald Trump's aspirations for border and asylum policies, his impact on labour migration has until recently received less scrutiny. Yet, like the EU, the US faces demographic changes and skills and labour shortages, requiring targeted policy responses aimed at the domestic and foreign-born workforce. The US economy has long relied heavily on foreign workers across skills levels to sustain growth. With a restrictive immigration agenda ahead, however, what spillover effects could Trump's return to the White House have on labour migration to the EU, also considering the "global race for talent"?

Before his re-election, Trump unveiled plans to dramatically reshape the US immigration system, including mass removals on a scale of 1 million per year, and an end to the Deferred Action for Childhood Arrivals (DACA) programme, which has given over 500,000 undocumented migrants the right to study and work. While raising major legal and practical challenges, if implemented these measures would drastically curtail the vital economic contribution of migrants already living in the US.

Despite recent debates and statements pointing to the need for foreign talent, the US's attractiveness for mid- to high-skilled foreign workers under Trump's second term could still decrease. During his first administration, the US high-skilled visa programme H-1B, for example, faced higher scrutiny and denial rates (24% in 2018 compared to 2.2% in 2022 under President Joe Biden). Should Trump try to revive previous policy measures, such as higher wage requirements or tightened eligibility criteria for foreign skilled workers, employers and foreign professionals may face a more restrictive environment and burdensome processes. Additionally, Trump's anti-democratic and anti-immigration rhetoric could impact the perception of the US's 'welcome culture' more generally, further reducing its attractiveness despite its appealing wages and low language barriers. All this could drive global talent to seek opportunities elsewhere.

Both the US and the EU are witnessing demographic changes, with declining birthrates and ageing populations. Re- and upskilling measures for the domestic population will not suffice to meet shortages, highlighting the need for foreign workers. Foreign workers alone were responsible for the 2% growth in the US labour force over the past five years. Moreover, the US labour market is facing a gap of 6 million workers, predicted to continue over the next eight years. In the EU, two-thirds of job openings between 2019 and 2023 were filled by non-EU citizens, while the service industry, ICT and construction sectors have been most affected by labour shortages. At the same time, 75% of companies in both the US and the EU still report difficulties finding skilled workers.

However, Trump is not alone in pushing a restrictive agenda, as many EU member states have also been looking at ways to limit irregular migration and increase returns. Trump's actions in this regard could serve as inspiration for EU leaders.

The EU and its member states should see Trump's re-election as an opportunity to intensify its efforts to facilitate labour migration, building on the fact that factors such as quality of life and living standards will continue to be a draw for prospective migrants. The first von der Leyen Commission focused on updating the legal migration framework, a priority that continues in her second term.

In the new cycle, the EU and member states should consider how the EU's attractiveness could be heightened through more competitive wages and fewer bureaucratic hurdles. Legislatively, they should focus on unfinished files such as the Talent Pool and the recast Long-Term Residents Directive that would allow for easier job-matching for third-country nationals and facilitate the acquisition of EU resident status, respectively. The EU should also ensure proper implementation of the Blue Card Directive and expand Talent Partnerships with third countries to meet labour needs. Finally, greater focus should be placed on measures that would improve the integration and protection of undocumented migrant workers, which could also help meet economic needs.

Despite clear priorities for Europe, this scenario remains optimistic as EU leaders' increasingly restrictive rhetoric and goals for migration policies could limit appetite to advance on legal labour migration. But at a time of growing economic pressures and global competition for talent, inaction could come at a high cost.

When anti-science trumps public health

Elizabeth Kuiper,
Associate Director and
Head of the Social Europe
and Well-Being programme

A second Trump presidency is likely not only to be disruptive for global health but also to have broader ramifications for the EU, particularly in health and pharmaceutical policies. The second Trump administration has already been described as the most anti-public health, anti-science adminstration in history. During Trump's first presidency, Anthony Fauci was known as the scientific voice of reason in his role as chief medical advisor. With people like anti-vaxxer Robert Kennedy Jr. as health secretary and Covid-19 lockdown sceptic Jay Bhattacharya as head of the National Institute of Health (NIH) this time around, the EU had better prepare for what's to come.

Selective multilateralism is likely to mark Trump's second mandate. During his first term, he already threatened to leave the World Health Organisation (WHO) and halted its funding temporarily. Back then, Germany increased its WHO contribution substantially to make up for the major funding gap left by the US. In the current political and economic situation, it is less clear whether EU member states will increase their WHO contributions.

Moreover, broader funding programmes for global health are likely to suffer under Trump II. In the past, he opted not to join the Covid-19 vaccine-sharing programme COVAX. Funding to the GAVI Vaccine Alliance and the United States Agency for International Development (USAID) could also suffer. Historically, the US has always been the largest funder of global health in the world. With wars raging in Ukraine and the Middle East, the likelihood that the EU or its member states will step in to compensate for the loss of funding is low.

The already delayed Pandemic Treaty, the brainchild of former European Council President Charles Michel, could be another victim of a second Trump administration. The Pandemic Treaty was first proposed by Michel at the Paris Peace Forum in November 2020. Negotiations were tough from the outset and there has been a lot of pressure to finalise them by December 2024, ahead of Trump's return to power. The final text is now foreseen for adoption at the World Health Assembly (WHA) in May this year and uncertainty looms large given the role of the US.

Health Secretary Robert F. Kennedy Jr is not only known for being an anti-vaxxer; his ideas are rooted in Project 2025, which aims to restrict abortion and reproductive rights. Trump II may again expand the Mexico City Policy, which requires NGOs to "neither perform nor actively promote abortion as a method of family planning in other nations". Under the first Trump administration, the policy was expanded to apply to the US president's Emergency Plan for AIDS Relief (PEPFAR), maternal and child health, malaria, nutrition, and other US programmes. This is likely to impact the funding of international NGOs as well as on the free choice of contraception in Europe.

The medicines review process of the US Federal Drug Agency (FDA) is recognised worldwide as the gold standard. FDA decisions are adopted by many countries worldwide without regulatory bodies. It is likely that the FDA's resources will be reviewed critically by the new Department of Government Efficiency led by Elon Musk and Vivek Ramaswamy, who has called the agency "corrupt". A decrease in the FDA's resources may have consequences for regulatory bodies, placing greater onus on the European Medicines Agency (EMA).

Lowering drug prices was one of the objectives of President Joe Biden's Inflation Reduction Act (IRA), by granting Medicare the authority to negotiate prices. What will happen under Trump remains to be seen, but his threats to hike tariffs would disrupt global supplies of medicines and increase prices instead, including in the EU.

Pharmaceutical companies seem to be more optimistic about what Trump II might mean for the government's policy on mergers and acquisitions. In light of Mario Draghi's warnings that the EU is lagging behind the US and China in pharmaceutical innovation, this should serve as a reminder for the EU to up its ante in offering incentives for innovation and revising its competition rules accordingly.

Hold the line: How Europe must face the threat of Trump 2.0

Emma Woodford,
Chief Operating Officer

Chris Kremidas-Courtney,
Senior Visiting Fellow

For many people, the re-election of Donald Trump signals a deeper entrenchment of far-right ideologies that threaten the foundations of democracy and human rights. The EU needs to work out how to work with the incoming administration and not everyone is unhappy with the situation. During Trump 1.0, European leaders were more united and tried to engage, with some success, to limit his influence. We now have a very different political picture in Europe; extremist parties are on the rise in Belgium, Germany, France, the Netherlands and Italy.

Trump's second term promises an aggressive dismantling of democratic safeguards. His playbook for restructuring US governance, Project 2025, is a strategy inspired by Hungarian Prime Minister Viktor Orbán's transformation of Hungary into an "electoral autocracy." His judicial reforms, media control, and electoral manipulation have provided a roadmap for far-right leaders worldwide, including Trump, to neutralise opposition and entrench regressive forms of conservatism. In keeping with the policies of other far-right governments, Trump's political project takes aim at the fundamental rights of many groups in society, including the most disadvantaged and marginalised.

State control over personal freedoms is a cornerstone of fascist forms of governance. Echoing Mussolini's "motherhood agenda", Orbán has implemented pro-natalist policies that incentivise childbirth to counter a perceived demographic crisis. Similarly, Trump's allies have championed patriarchal narratives that glorify traditional gender roles while demonising women who work and choose not to have children. In addition, we have seen threats to female leaders across the globe in recent years such as the persistent hard-right protests and threats to life against former New Zealand Prime Minister Jacinda Ardern, which led to her resignation in 2023.

The erosion of LGBTQ+ rights in the US mirrors broader global trends, where far-right leaders weaponise moral panic to marginalise communities and consolidate their power. For example, Trump's re-election campaign spent over $215 million on anti-transgender ads with narratives that recall the targeting of minorities by 1930s fascist regimes.

Ethnic minorities and immigrants are central targets of far-right authoritarianism. Trump's first term was marked by immigration policies including the Muslim travel ban and family separation practices. In Europe, we have already seen the far right's impact on migration policies and discrimination. After recent riots in Amsterdam ignited and perpetuated by both antisemitic and Islamophobic groups, Geert Wilders, who leads the majority anti-Islam Party for Freedom (PVV) called for the expulsion of "Islamic radicals", laying the blame squarely at the feet of Amsterdam's Moroccan population.

The resurgence of the far right threatens to erode the foundations of democracy and exacerbates divisions in Europe. Equality and human rights face a tsunami of far-right extremism. Meta's recent rollback on truth-checking includes lifting restrictions on calling women "property" and transgender people threats to society. This type of distancing from truth, equity and human rights and forfeiting values for political expediency and profit indicates they did not hold them strongly enough in the first place.

The EU must decisively engage when far-right movements and governments threaten human rights. The two-year delay in starting the investigation into Trump's violent insurrection on 6 January 2021 allowed the clock to run out and let him regain power. Likewise, the EU did not initiate Article 7 proceedings against Hungary until Orbán's third term in office, and proceedings have remained in legal limbo ever since.

Unless the EU can persuade him otherwise, it is highly unlikely that America under Trump would come to Europe's defence as it did in the 1930s when fascism and the Nazis trammelled human rights and democracy. Instead, he is openly threatening the sovereignty of Denmark, Canada and Panama. In addition to building our own defences, Europe must strengthen its institutional safeguards, support civil society, and reinforce its commitment to human rights. Focusing only on economic security and military defence while ignoring human rights plays into the hands of the far-right and risks leading Europe even further down the road of division. Pro-democratic forces must fight back without compromising convictions, empathy and inclusive leadership. In other words, Europe must hold the line on values that bind rather than give in to those that promise to tear us apart.

How will Trump's victory affect Europe's far-right, and how should the EU respond?

Tabea Schaumann,
Programme Assistant, European Politics and Institutions programme

Javier Carbonell,
Policy Analyst, European Politics and Institutions programme

Trump's victory will impact Europe in three main ways. First, it will significantly influence ideas and discourses, further normalising far-right frames and policies among voters. As far-right parties become more mainstream, they face a choice: accommodate and become more mainstream or double down on their positions and remain anti-establishment. Trump's victory will likely embolden hardliners and their polarising strategies. Additionally, specific elements of US debates – such as proposals for mass deportations, drastic state reduction, and election denial – may increasingly appear in European far-right narratives.

Second, Trump's victory raises questions about whether the "nationalist international" will grow stronger. Far-right parties have been collaborating across borders, facilitated by the realignment within three European Parliament groups. While the extent of Trump's ideological agenda and connections to Europe remains unclear, examples of transatlantic far-right ties are mounting up. For instance, Italian Prime Minister Georgia Meloni recently met Trump at his Mar-al-Lago resort and is exploring a €1.5-billion telecommunications security services deal with Elon Musk's SpaceX. Musk's own involvement in European politics is growing, evidenced by his attacks on German Chancellor Olaf Scholz and UK Prime Minister Keir Starmer, and his endorsement of the extreme-right Alternative for Germany (AfD) in an op-ed for a German newspaper just weeks before Germany's general elections. Having held a live conversation with the party's candidate for chancellor Alice Weidel on X this month provided her with an unfair advantage over her rivals.

Third, Trump may exploit far-right leaders or governments to block EU policies or advance his agenda, favouring Hungary's Viktor Orbán or Meloni as interlocutors over EU institutions. With radical-right parties in government in six EU countries and a fragmented Franco-German leadership, this risk is tangible. As an example of this, Orbán's unilateral 'peace mission' to Moscow and Beijing in July 2024, announcing Trump's readiness to act "immediately" as a peace broker between Ukraine and Russia after taking office, bypassed the bloc's efforts to sustain unequivocal support for Ukraine.

While these developments pose a significant threat to EU unity, their full impact remains to be seen. Ideologically, pro-democratic and European forces should avoid normalising far-right rhetoric (e.g. discussing the "Great Replacement") or adopting far-right policies, such as endorsing Meloni's immigration strategies. While copying the far-right may yield short-term gains, evidence suggests they are ultimately self-defeating as voters prefer the original to the copy. To counter attempts of interference in European politics and elections by members of the incoming Trump administration through online platforms like X, the European Commission should rigorously enforce the Digital Services Act to eliminate hate speech, ensure media pluralism and legal electoral processes.

Regarding transatlantic far-right links, it is crucial to highlight that the far-right itself is ridden with internal conflicts and contradictions. For example, Trump's tariffs would disproportionately harm France where populist leader Marine Le Pen hopes to gain power and Orbán's ties to China could clash with Trump's agenda. Within Europe, Meloni's and the Polish Law and Justice party's (PiS) support for NATO and Ukraine stands in stark contrast with the stance on Russia adopted by the AfD, Austria's Freedom Party (FPÖ) and Le Pen's National Rally (RN). Pro-European forces should exploit these divisions and reclaim the national interest narrative by emphasising the threat Trump poses to European nations.

Finally, the EU must address the growing use of veto power, such as by Hungary, and prepare for the possibility of a Le Pen presidency. It must reform its institutions and functions to avoid gridlock, considering proposals like qualified majority voting or the creation of a supranational governmental avantgarde composed by some European countries.

In conclusion, the impact of Trump's US election victory on Europe's far-right is already taking shape and will likely gain further ground. The EU must therefore prepare itself for the worst-case scenario and proactively mitigate its impact.

Preparing Europe for the new alliance of Trump and Silicon Valley

Chris Kremidas-Courtney,
Senior Visiting Fellow

Joe Litobarski,
PhD Candidate at
Maastricht University

As the election of Trump shows, Elon Musk is now kingmaker in the United States, and Europe could be next. If Musk's brazen intervention in American politics pays off, then Brussels should be prepared for Silicon Valley's alliance with Trump to grow more brazen and aggressive

Tech corporations have, until Musk, tried to remain largely above the political fray. However, many have grown frustrated with Brussels and the EU's leading role as a global tech regulator. EU policymakers should be aware that a more politically partisan breed of Silicon Valley magnate is emerging, and that supporting populist, Eurosceptic, or even far-right political forces may be a tempting way for tech barons to try and bring Brussels to heel.

In the future, we should expect transatlantic lobbying to be accompanied by reaching out to European voters directly through global communications platforms, but also potentially donating to techno-populist political parties, think tanks and groups. Just in 2024, donors from the US tech sector contributed a significant chunk (over 10% if non-profit donations are included) of the eye-watering $4.7 billion raised by both parties during the US presidential election. Elon Musk, the world's richest person, is now also America's largest political donor, giving $277 million to the Trump campaign. He also regularly boosts European far-right figures and recently endorsed Germany's far-right Alternative for Germany (AfD) on his social media platform and in an op-ed in a major German newspaper.

What should concern European policymakers is that the new donor class of tech billionaires may seek to deploy their US election playbook overseas, turning Silicon Valley into the political metropole of a global Empire of Technology. To counterbalance this new dynamic, the EU will need to take urgent action.

Firstly, the EU must refuse to be bullied and continue to strengthen regulatory frameworks and expand its regulatory reach. The Union must update laws that cover emerging technologies like AI, satellite networks, autonomous technologies, and neural interfaces and ensure these regulations address the cross-border operations of Big Tech companies. It must also enforce strict antitrust measures and break up monopolistic behaviours within tech industries to prevent single entities from exerting an outsized influence.

The EU should also seek greater transparency by mandating clear reporting requirements on lobbying activities, election influence, political donations and data usage by Big Tech companies.

Secondly, the EU must redouble investment in its own technology base and grow a venture capital ecosystem on par with its ambitions. This will also involve stronger efforts to develop homegrown tech giants and provide incentives for European startups to create alternatives in space, energy and communications.

Thirdly, the EU should balance Washington's influence in Brussels by seeking to influence Washington and work with American activists and pro-democracy tech companies to mitigate the worst impacts of partisan Big Tech while also coordinating with like-minded nations. It should strengthen alliances with countries prioritising sovereignty and regulation, such as Canada, the UK, Japan and nations in the Global South. These efforts should be focused on promoting the global governance of technology, advocating for international treaties.

Next, the EU should accelerate its efforts to protect digital sovereignty, starting with the requirement that critical EU data be stored and processed within its borders to prevent its misuse or surveillance.

Finally, the EU must strengthen and expand its efforts to engage citizens and educate them about the risks of persuasive technologies. These same programmes should seek to create avenues for meaningful public engagement in crafting technology policies, increasing trust and buy-in from EU citizens.

In the longer term, the EU should aim to lead the global conversation on ethical technology governance. By framing itself as a bastion of digital rights, transparency and fair competition, it can counterbalance the power of the Empire of Technology and mitigate its ability to weaken democracy.

This contribution is an abridged version of the commentary "European sovereignty and the empire of technology", available to read in full on the EPC website.

NOTES

The **European Policy Centre** is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decison-makers at all levels to make informed decisions based on sound evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policymaking and in the debate about the future of Europe.

With the strategic support of King Baudouin Foundation Working together for a better society

Co-funded by the European Union