

Ghidiu, Iulia-Anamaria

**Article**

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## Contemporary patterns of transatlantic trade cooperation in a post-Brexit European Union (dis)order

Iulia-Anamaria GHIDIU\*

### Abstract

*This paper aims to examine the debate surrounding negotiations of the Transatlantic Trade and Investment Partnership (TTIP). The EU and US began negotiations for this comprehensive commercial agreement in July 2013 and have still not reached consensus. This article aims to assess the possibility of resuming talks on this sensitive topic in light of the current administration in the White House, or of the European Union potentially shifting its attention to other global partners, in a period when it is visibly undergoing a number of internal crises.*

**Keywords:** transatlantic alliance, TTIP, Brexit, trade wars, emerging powers

### Introduction

The United States (U.S.) and the European Union (EU) represent the two most important commercial partners at the global level. However, this relationship should not be taken for granted, considering President Donald Trump's strategy to put "America first" by imposing new rules on European partners and recalculating traditional US commercial agreements worldwide.

A new type of warfare, the *trade war*, addresses the battles into which the US is entering by provoking its allies in the name of American national security interests and running the risk of reversing trends in global economy. The U.S. withdrawal from the Trans-Pacific Agreement and the Paris Climate Accords, as well as the renewed version of NAFTA, the USMCA, has made Europeans wonder about future transatlantic trade prospects.

Although potentially benefiting millions of consumers by facilitating trade conditions through the removal of technical and non-tariff barriers and the harmonization of legislative regulations and standards, TTIP has been long contested by lobbyists in the NGO sector for the compromises it would entail in the process of reaching an agreement. According to the Investor State Dispute Settlement

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\* Iulia-Anamaria GHIDIU is PhD candidate in International Relations and European Studies at the Doctoral School "European Paradigm", Faculty of European Studies, Babeş-Bolyai University, Cluj-Napoca, Romania, e-mail: iulia\_anamaria\_g@yahoo.com.



(ISDS) clause, the risk of contamination with genetically modified organisms, toxic chemicals exposure, and lower American standards for specific products or the lack of transparency regarding the talks were all considered to be sensitive issues. Stop TTIP, Women In Europe For A Common Future, Les Amis de la Terre, Romania Alive Society, War on Want, Keep Ireland Fracking Free are just some of the combative NGOs, which will be further cited by briefly introducing their credos and specific claims regarding the TTIP debate.

This paper aims to give a response to the following particular issue: *Learning lessons from the TTIP experience, what are the perspectives for Brussels and Washington to reach a satisfactory trade agreement in the near future, given the deepening trade war between the two blocs?*

The methodology used to examine the research topic implies qualitative instruments, supported by secondary data analysis of information in articles, studies, books and relevant opinions on the subject. Qualitatively speaking, interventions and discourses of relevant political leaders on both sides of the Atlantic will be subject to comparison and analysis, in order to draw a complex picture of the topic. This aims to unveil a number of points of agreement and disagreement and to provide a balanced set of conclusions.

## 1. Current state of affairs

The transatlantic alliance is known worldwide as a strong pillar of cooperation, promoting an enduring example of cross-border solidarity, while still operating under the aegis of liberal values.

The *Transatlantic Declaration on EC–US Relations* (1990) offered a long-term perspective on this partnership, acknowledging the essential transatlantic solidarity necessary to achieve long-lasting peace and liberty, develop prosperous, free market economies and reconstruct a post-war divided continent.

Regarding economic cooperation, the United States and the former European Community have acknowledged the necessity to intensify multilateral commercial relations, encouraging transparency, the progress of market liberalization, the implementation of GATT and OECD principles in exchanging goods and services. Moreover, as provided by the Declaration, it was encouraged dialogue on non-tariff barriers for industrial and agriculture commerce, services, competition policy, transport, telecommunications, standards, high technology etc.

In parallel, as the common enemy represented by the Soviet Union no longer posed a threat in international affairs, debating around American disengagement as “a power in Europe” started to

take shape. With the occasion of the 1991 Summit in the city of Rome, President George Bush emphasized that:

*our premise is that the American role in the defense and affairs of Europe will not be made superfluous by European unity. If our premise is wrong, if, my friends, your ultimate aim is to provide independently for your own defense, the time to tell us is today (Bush, 1991).*

But NATO in particular and the general commitment for the transatlantic interdependence have survived the test of time. Even so, no one ignores the particular interests of each of the two blocs for their individual evolution on the world scene.

Under President Donald Trump, the concept of transatlantic strategic partnership has shifted into a very interesting and debatable paradigm. Different strategic fields of cooperation are endangered as the U.S. President started to practice isolationist and protectionist policies in American foreign relations with the European Union (EU) member states.

The EU too is confronting with many challenges from within. Populism, Euroscepticism, nationalist or protectionist tendencies, the need for a genuine reform, and the accommodation of the Brexit result are just a few of them.

Launching the idea of a future TTIP has reflected political calculations on both sides of the Atlantic on comprehensive, strategic objectives. Firstly, the potential capacity of economic recovery and growth is stimulated for both partners. Secondly, the provision of the opportunity to draw significant rules for the future global trade regime, precisely when other rounds of multilateral commercial negotiations were facing a visible stalemate (see the Doha Round at the World Trade Organization). Peterson has seen TTIP as the ultimate test for the United States and Europe to display their ability to overpass internal dysfunctions and left their mark on the global governance system (Peterson, 2016).

Among various conflictual interests and approaches to core issues within the larger framework of the transatlantic relations management, such as security arrangements or the new distribution of power in the global system of a currently emerging (partly illiberal) multipolar world, the economic aspects cannot be overlooked as well.

Damro called this relationship as marked by a “competitive interdependence” (2016). The United States and the European Union still represent the two largest global economies. They have a combined real gross domestic product of almost \$38 trillion, with “mutual investment stocks unequalled in the global economy”, and the two most important trading partners on the global scale.

Within the theoretical debate in international affairs, as marked between interdependence theorists like Damro, Hamilton and Quinlan and (neo) realist thinkers (Waltz, van Scherpenberg), there is question of whether transatlantic economic interdependence is guaranteeing a status quo of peace, stability and security. The former argues in favor of the interdependence-peace correlation, whereas the latter dismiss it (Waltz, 1979).

President Donald Trump suspects the allies are willing to take advantage of the US rather than to cooperate in a fair manner and repeats NATO has become an obsolete organization. In his view, each and every member country should comply to the 2% criterion in the defense budget spending, as a compulsory requirement for the Article 5 collective defense rule in the Alliance founding treaty. The Washington Post recently noted that NATO's "single greatest danger is the absence of strong, principled American presidential leadership for the first time in its history" (Burns and Lute, 2019). President Trump pioneered in labelling the EU a "foe" rather than a partner, for its own country.

This attitude has generated concern on the European continent and EU member states began to look more and more cautiously towards the U.S. "Despite our public proclamations, no reasonable person believes that Trump would sacrifice Seattle for Riga", a senior German diplomat affirmed at the Munich Security Conference in February 2019 (Hoffmann, 2019). However, official messages coming from Washington (besides what the President supports), intend to reassure Europeans that America intends to contribute to the preservation of global security and address common threats and enemies. Many of the Republican and Democratic leaders in the American Congress disagreed with the President's perspective on NATO's value and mission, and tried to safeguard the public's strong support for NATO, as mentioned in a 2018 survey by the Chicago Council on Global Affairs.

This particular case shows that political and security disincentives may also reduce economic appeal within the strategic transatlantic partnership. Additional moves on the global geopolitical chessboard found US President Donald Trump offering a new approach to Washington's attitude and openness for dialogue towards actors like Russia or North Korea, or even illiberal, populist and less democratic political leaders on the European continent. Moreover, Washington's withdrawal from several international forums and commercial agreements or the renegotiation of others has made EU member states continue to wonder about the future and real stakes of the old transatlantic partnership, on all its dimensions.

In this complex picture with mixed economic, political, strategic and ideological variables, the EU has started to give more credence to the old idea of achieving "strategic autonomy" in the world system. This could apply to both security and defense issues and trade partnership. If we consider a situation in which Brussels begins to detach slowly from its transatlantic fellows and look for

alternatives elsewhere, emerging powers in the world game of competitive advantage. Whether this new approach would make Europeans rethink the EU's mainly soft power approach remains up for debate, even as a competitive, permanent standing EU armed force seems not quite within reach in the near future. France and Germany have been the first to engage in common military and defense projects so far, with the symbolic ambition to challenge the American domination, as professor Valentin Naumescu argues (2019).

Considering the US and the EU share the largest and deepest bilateral trade and investment relationship in the world, and are both highly integrated economies, this relationship could be further improved as the Council of the European Union has recently made public its decision to open negotiations with the United States to pursue a limited agreement on the elimination of tariffs for industrial goods, excluding agricultural products. This is in response to the US announcement that it intends to withdraw from the Paris Agreement, while the EU remains willing to negotiate "deep and comprehensive free trade agreements" with parties to the treaty solely. Additionally, as the Council decision stipulates, "the negotiating directives for the Transatlantic Trade and Investment Partnership must be considered obsolete and no longer relevant", thus, any shade of optimism around a possible renewal of the talks on this ambitious transatlantic project seem difficult to image (Council of the European Union, 2019).

As new trade talks are launched, their successes are debatable, partly because the U.S. would not favor a deal excluding agricultural goods. At the same time, the EU, keen on protecting its own farmers and maintaining its food standards, would probably refuse to allow such an agreement, had the US maintain the same product standards' qualitative gap. "The United States has made it clear to the EU on many occasions that a trade agreement needs to include agriculture if the agreement is to get support in Congress," a U.S. Trade Representative affirmed (Meyer, 2019).

From the European perspective, France was particularly resisting a complex transatlantic agreement of this kind, as it has traditionally vehemently opposed the possibility to resume the TTIP negotiations as long as there is a threat, in the form of new tariff barriers, of a trade war initiated by Washington. These tariffs are still in place between the two sides for the time being and counterbalance each other as Brussels has had its share of impositions, too. From the German business sector, voices said

*The United States is the most important export destination for the German economy. Continued trade tensions not only endanger trade flows but jobs in*

*Germany and the U.S. Many German companies (...) have invested in the U.S. and employ around 850,000 people there. That is why the trade talks are an important step (Ilja Nothnagel, member of the executive board at the German Chambers of Commerce and Industry).*

The US Secretary of Commerce, Wilbur Ross, shared the vision of reopening negotiation channels on the topic of TTIP. The European Commission position was definitely not in favor of discussing the agreement as it was not willing to budge on strictly negotiating industrial goods related provisions. Last July, Jean Claude Juncker, President of the European Commission, and Donald Trump raised prospects of a free-trade deal encompassing non-auto “industrial goods, so almost everything from chemicals to textiles, but not meat, fruit or wine. The two representatives issued a Joint Statement, publicly announcing

*the launch of a new phase in the relationship between the United States and the European Union – a phase of close friendship, of strong trade relations in which both of us will win, of working better together for global security and prosperity, and of fighting jointly against terrorism (Joint EU-US Statement following President Juncker’s visit to the White House, 2018).*

## **2. Pros and cons of TTIP**

Beginning negotiations in July 2013, the Transatlantic Trade and Investment Partnership was assessed to potentially become the most ambitious free trade initiative in history, benefiting millions of consumers on both sides of the Atlantic, by eliminating technical and non-tariff barriers (such as the “buy national” concept) and harmonizing legislative regulations and standards. Thusly, facilitating trade relations between the two most important commercial partners.

According to an economic analysis carried out by the Centre for Economic Policy Research, an independent pan-European economic research organization, TTIP could have increased the EU economy by around €120 billion (0.5% of GDP) and that of the US by €95 billion (0.4% of GDP) (The European Commission, 2016).

However, the debate has unveiled a number of strong arguments against the ambitious initiative, especially if the issue is tackled from an NGO perspective. To begin with, Stop TTIP is known as a Europe-wide alliance carrying out a European Citizens’ Initiative on TTIP and CETA–Canada

Europe Trade Agreement, which has already been signed by the involved counterparts. (STOP TTIP). An extremely interesting comparison was drawn by the rejectionist camp between TTIP (also CETA) and the famous character in the Greek mythology, the Trojan horse, as the agreement was called *The Trojan Treaty*. Several anti-TTIP NGO's acting all over Europe expressed strong opposition and their attitude and arguments will be briefly described in the following section.

Officially registered as a foundation in 1994 in the Netherlands and currently offering its expertise internationally, *Women in Europe for a Common Future* supports balancing the environment, health and economy by envisioning a world in which gender equality has been achieved and people live in dignity and share responsibilities for a just and sustainable world (Women in Europe for a Common Future).

On the TTIP debate, WECF has claimed the agreement poses a threat to the EU's ability to protect people from toxic chemical exposure and has called to eliminate these elements from the talks as a matter of urgency. It is the same case with the renewed transatlantic trade relations currently under discussion (whether to include agricultural products to the tariff-reduction treaty). WECF has also resisted the elimination of provisions enabling multinational corporations to sue European states, the so-called Investor State Dispute Settlement (ISDS) or Investment Court System.

*Les Amis de la Terre* is a French non-governmental organization advocating for alternatives to the capitalist system and to techno-scientism, in preference for sustainable societies, enabling the satisfaction of basic needs as well as the preservation of ecosystems. Their main argument is that the potential trade agreement between the EU and US exposes European farmers and their crops to the risk of contamination with genetically modified organisms. Modifying the certification procedure is understood as a definition for the rise of contamination levels, as lobby groups and negotiators from the United States bring forth the pretext that the rule of "tolérance zero" as a commercial barrier that is harming American exporters from an economic point of view.

Among the combative group of NGOs, there is a Romanian organization under the name of *Romania Alive Society*. As its declaration of principles clearly states, this informal thinking and action group, founded in 2012 by a group of protesters from Bucharest, seeks to enact a fundamental change in the Romanian society. (România Vie, 2012). The association's mission is to prompt the idea of a radical renegotiation or even the complete abandonment of the TTIP agreement, arguing that it could lead to the implementation of arbitration systems parallel to the national and European courts of justice (the ISDS mechanisms), accessible to a restricted number of agents, more precisely to companies benefiting from this treaty. Additionally, a TTIP would have stipulated the obligation to cooperate in terms of regulation, which would mean no government or parliament (including the



European Parliament) could regulate it without consulting the American trade partner, heavily influenced by lobbyists in the business sector, even prior to any public consultation on the initiative's agenda. Mutually recognizing authorizations and viewpoints over the quality of commodities would have implied the Europeans' acceptance of the fact that North American standards are below the European Union's level.

War on Want, an anti-poverty charity based in London, has claimed that the barriers invoked by the Americans actually accounted for some of the most prized European social standards and environmental regulations, such as labor rights, food safety rules, regulations on the use of toxic chemicals, digital privacy laws and even new banking safeguards introduced to prevent a repeat of the 2008 financial crisis.

Keep Ireland Fracking Free is another NGO positioning itself against the TTIP deal, potentially enabling American companies to sue the Irish government for not allowing the risky fracking technology in their country, on the basis of an ISDS clause (Fracking Free Ireland, 2016).

The lack of transparency represented another frail topic involved in the whole TTIP debate, given that most of the negotiations were conducted privately. Established in 1988, Mehr Demokratie is the largest non-governmental organization promoting direct democracy in the EU and it has pledged for a broader public discussion regarding the social and ecological mandate for negotiation on both sides. In this regard, they saw the necessity for comprehensive and up-to-date information and complete insight into all negotiating documents for the public and parliaments.

The European Ombudsman has notified the European Commission regarding a more transparent, legitimate and trustworthy process of the talks, in order for the wider public to be able to follow them more easily and bring their own contribution to it. Cecilia Malmström, the former European Commissioner for Trade and EU Chief negotiator for TTIP, published on her blog on May 2016 that

*the European Commission has opened up the negotiations to make our positions on all matters in the negotiations public. After each negotiating round, we publish round reports as well as our position papers and textual proposals. So the positions of the EU are well-known and nothing new. Take our proposal on regulatory coherence, for example. Our latest proposal – tabled during the February round and made public shortly thereafter – includes references to the precautionary principle, and points out our well-established public consultation procedures that are open to all stakeholders (Malmström, 2016).*

Malmström underlined that a potential agreement will neither lower EU's standards for consumer and environment protection, or food safety, nor will it determine the EU to change its legislation on GMOs.

Discussing the benefits of TTIP for the European business community, at a conference hosted by the EurActiv Institute in Brussels, on May 24, 2016, Cecilia Malmström pointed out that

*TTIP, like all trade policy, is about securing future prosperity. But, again like the rest of trade policy, it doesn't exist in isolation. The European Union is a union of values. And those values must infuse all our decisions. (...) People worry that trade policymakers don't care about wider consequences, beyond the economics. It's been my goal since I took on this role to make clear that trade policy is certainly about broader values (The European Commission).*

The EU Trade Commissioner proved to be quite optimistic in hoping to conclude TTIP talks by the end of 2016. Now visibly hampered by the set of tariffs imposed by Washington as part of its commercial ammunition, the view from Brussels is that new negotiations can be suspended on a legal basis (Directives for the negotiations with the United States of America for an agreement on the elimination of tariffs for industrial goods, April 2019), provided that the American counterpart will not have withdrawn current steel and aluminium duties before negotiations have concluded. Also, if the US adopts new measures against the European Union under Section 232 of the Trade Expansion Act of 1962, Section 301 of the 1974 Trade Act or under any other similar United States law, the same provision applies (Von der Burchard and Schlee, 2019).

Coming back to the issue of transparency in conducting the trade talks, long disputed within the former TTIP, the more recent EU Directives for the negotiations with the US mention that "The Commission, in cooperation with Member States, shall, throughout the negotiations, ensure appropriate communication, based on the principle of transparency, towards all relevant EU stakeholders, including civil society and economic operators"(Directives for the negotiations with the United States of America for an agreement on the elimination of tariffs for industrial goods, April 2019).

On the EU legal basis mandating the EU representatives during the talks, Jean-Claude Juncker tweeted: "With today's adoption of the negotiating directives for trade talks, the EU is delivering on what Donald Trump and I have agreed. Slashing tariffs on industrial products could lead to additional increase in EU and US exports worth €26billion" (Juncker, 2019).

Still advocating for the common cause of the European citizens' safety on the issue of politically sensitive agricultural products, Commissioner Malmström supported the idea of a renewed form for the US-EU trade deal focusing exclusively on industrial goods. Trust needs to be rebuilt when it comes to the old transatlantic relations, for any other thorny issues to be addressed. This can be partly done by focusing on putting an end to the trade battle, her argument goes. Speaking at Georgetown Law School in Washington:

*There is a lack of trust at this moment and that is why we're proposing instead of increasing tensions between us, instead of having these tariffs, instead of saying that Europe is a security threat to the American economy, OK let's rebuild that trust. If we start with industrial goods, which is much less complicated and which will be beneficial for both sides, maybe we can rebuild that trust (Malmström, 2019).*

Awaiting an official decision from the White House concerning the imposition of 25 % steep tariffs on imported cars and auto parts for a period up to six months and keeping those reports secret, displayed no friendly incentives for Europeans. At a press conference in Brussels in April 2019, Malmström answered a journalist that “from our side (the EU), we are definitely determined to do everything we can to finish this under the Junker Commission” (having ended its mandate on October 2019). This allegation proved to be too optimistic, considering the track the trade talks are on at the moment, with little progress being made and with an unpleasant record of the TTIP agreement.

### **3. On the trade battlefield**

Openly invoking grounds of national security interest, the US in the Trump era has slowly become a “trade warrior”, opening commercial disputes with several countries, such as China, Mexico, Canada and the EU member countries. Under Trump administration, Washington has imposed vehicle quotas on Mexico and Canada. They have also imposed duties on European steel and aluminum products, to which Brussels has retaliated with rebalancing countermeasures such as imposing tariffs on products like crops, cranberries, cigarettes, bourbon whiskey, motorcycles, articles from iron and stainless steel and even playing cards. The US might as well impose car import tariffs on EU countries, which would be something blowing out any chances of trade negotiations in the near future.

The EU negotiate under pressure, as the US tariffs on a number of European (but also Chinese) goods were in place at the moment trade talks were launched (so the global economy picture is changing). Thusly, the sooner they are removed, the better it would be for a smoother pace of the negotiations. Members of the European Parliament seemed to revive Emmanuel Macron's words, while not backing in the plenary sessions in Strasbourg the Commission's mandate to start talks with the US for a new framework of bilateral trade relations. MEPs declared their concerns that farming-related issues will end up being brought to the table, as Americans take a quite hard stance on this matter. Also, European concessions and the public opinion on environmentally unfriendly proposals, that saw the demise of TTIP, were put forth as arguments by vocal members in the European legislative. The Parliament's non-binding resolution failed by only 198 votes in support, compared to 223 against and 37 abstentions.

Warning against the US withdrawal from the World Trade Organization System, the global, referential trading architecture, President Donald Trump promoted another political decision that could affect the global (as well as the transatlantic) commercial system. With the occasion of a press conference after the European Council meeting in Brussels, on March 2018, French President Macron underlined that

*Europe does not want a trade war, which is good for nobody. This is why we promote dialogue. (...) Europe believes in a multilateral regulation of trade and will act in the framework of WTO rules, which should be modernized, not weakened. (...) Europe will show "a united front" in the face of trade disputes and won't accept to be "the weakest link" of globalization. If we are attacked, we will react without wavering (Macron, 2018).*

The European Commission President-elect Ursula von der Leyen committed herself to defend the global, open-market multilateral trading system as governed by WTO rules. Nevertheless, she seemed opened to enter President Trump's game and uphold retaliation for the latest tariffs the US is entitled to impose on EU countries, according with the WTO ruling on Airbus lawsuit. In a letter to Phil Hogan, European Commissioner for Trade, she prompted the urgency to upgrade the EU's "enforcement regulation", in order to improve the European trade defense arsenal (von der Leyen, 2019).

#### 4. A post-Brexit US-UK trade deal

A potential US-UK post-Brexit trade deal might also impact the whole transatlantic landscape of cooperation, as the emphasis is very much on the UK aligning itself with US standards. This will have major implications. It will move the UK away from the EU standards it currently has to comply with, harming trade with its most important trading partner and generate potential hurdles in a future trade deal with the EU. On October 16, 2018, the Trump Administration notified Congress that the President intends to negotiate a large-scale trade agreement, with “unlimited potential” as he tweeted it, with the United Kingdom once it leaves the EU, in accordance with section 105(a)(1)(A) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (the Trade Priorities and Accountability Act). The US-UK Negotiations Summary of Specific Negotiating Objectives has been public since February 2019. During a press conference by President Trump and Irish Taoiseach Leo Varadkar of Ireland Border, before their bilateral encounter for the Friends of Ireland Luncheon at US Capitol, the American leader pointed out

*I'd like to see that whole situation with Brexit work out. I'd like to see — so, you know, we're talking to them about trade. And we can do a very big trade deal with the UK. We're also renegotiating our trade deal with the European groups and, you know, literally, individual nations, and also with the whole (Trump, 2019).*

As Brexit was previously postponed until October 31, 2019, prior to its final deadline, that was January 31, 2020, delivering her speech before the Irish assembly, the US Speaker of the House, Democrat Nancy Pelosi, warned about the possibility of a trade agreement with the UK not to be concluded, had the British jeopardize the 1998 Good Friday Peace Agreement between the Irish Republic and Northern Ireland:

*We must ensure that nothing happens in the Brexit discussions that imperils the Good Friday accord, including but not limited to the seamless border between the Irish Republic and Northern Ireland. If the Brexit deal undermines the Good Friday Accord, there will be no chance of a US-UK trade agreement (Pelosi, 2019).*

Also following closely the ongoing, heated Brexit debate within the European arena, prior to offering former Prime Minister Theresa May “his own ideas on how to negotiate” the deal (even

though she didn't actually follow this path), President Donald Trump, acknowledged the complexity of the Irish border controversy and remarked that the EU has taken quite a tough stance on the treatment for their British partners. He argued that

*Too bad that the European Union is being so tough on the United Kingdom and Brexit. The E.U. is likewise a brutal trading partner with the United States, which will change. Sometimes in life you have to let people breathe before it all comes back to bite you! (Webber, 2019).*

An Anglo-American, record-breaking trade deal was favorable and would be upheld by President Donald Trump and former British Prime Minister Theresa May, and it is the same case with Eurosceptic Boris Johnson (“a British Trump” as named by President Trump himself) on 10 Downing Street. Prime Minister Johnson declared his willingness to start the ambitious project as soon as possible, the work on its design having already commenced. Especially now, as UK 's withdrawal from the EU is a fact, senior officials including Crawford Falconer, the British chief trade advisor, are strongly advocating for a UK-US trade deal to be considered a top priority on UK' s post-Brexit agenda (Payne, 2020).

Former British Trade Secretary Liam Fox praised the valuable trade expertise of the department he chairs, delivering a speech at the Policy Exchange in London on a global Britain, he said to “maintain and champion free trade, and working with growing powers around the world to build a stronger and more resilient global economy” (Fox, 2019). However, the Americans might be really tough, even towards their Anglophiles, as senior trade advisors of former administrations in the White House made public their expertise, wisely observing that President Trump's shift of paradigm in economic foreign policy endangers global trading system by mercantilist and populist attitudes.

For instance, Dan Price, trade adviser in George W. Bush's cabinet, expressed his view that no financial services company in the US would be as committed to London as in the past and that the UK would benefit best from a customs union with the EU and single market accession, as the British lack regulatory capacity in these fields (Giles, 2019).

## **Conclusions**

In “*Growing Apart? America and Europe in the Twenty First Century*”, Jeffrey Kopstein and Sven Steinmo argue that, as multilateral commercial negotiations begin to extend from goods and

services to international economic regulations, Brussels and Washington have developed a series of divergences at the policy level, such as in environmental issues or different social and cultural models.

To respond to whether or not Europe and North America are really growing apart, as Kopstein and Steinmo framed it, is a challenging enterprise. Many signs might lead us to such a terrible conclusion, with the current trends in the American foreign policy and the European leaders retaliating and gathering power to reborn from within and deploying substantial efforts to “flourish” on matters like defense and global security delivery.

The ideological divide within the transatlantic partnership is visible from all angles. The allies are facing a serious challenge if they embrace other geopolitical options. Perhaps it is appealing for the moment, but alternatives that (together or slightly under the practice of favorable economic treatment) might infuse their cultural or civilizational patterns into the liberal, Western societies’ daily life could make the relation more difficult to be managed in the future.

Consolidating the transatlantic alliance must be a prerequisite for engaging in prosperous interactions in the world trade arena. Deep nationalist and populist feelings should be left aside by both partners if they wish to see their relations well ahead in the future geopolitical and geo-economic calculations. As a matter of urgency, a wise management of the current trade dispute is needed for a decent pace and a reasonable agenda of the trade talks between the EU and the US. Otherwise, it is almost impossible to envision a scenario where a final agreement is reached.

Lessons learned from the controversies around TTIP should be a starting point for talks. The dividing lines in the previous debate, such as consumer safety, environment protection and transparency of the overall process must be thoroughly revised in the new framework of negotiation.

Generally speaking, if the EU and the US manage to work side by side, bypassing individual ambitions, significant global threats can be addressed comprehensively.

“It’s time for the United States to embrace the European Union”, Max Bergmann’s final argument goes, in a Foreign Policy article from July, 2019. In an interview with Euronews, invoking the “fairness” of the current commercial agreement negotiated by Americans and Europeans, after the collapse of the overly ambitious TTIP, US Secretary of State Mike Pompeo stressed that the common values serving as guiding principles for the two partners will always prevail over disagreements, as the “overall relationship” is unquestionably successful:

*There are always ... disagreements, there’s spats, there’s trade disputes ... but it’s always the case that our shared value sets ... those always prevail and they will here again too. There’s a long history of the United States and Europe having*

*places where we disagree, I'm sure that will continue but the overall relationship? I must say I think it is excellent (McCaffrey and Jamieson, 2019).*

Reiterating that the traditional Euro-Atlantic partnership should not be taken for granted, the perpetuation of a model of Western, democratic and liberal values is crucial to a stable world order, with the potential to export this to other geopolitical regions, as in a spiral of social, ideological, political, cultural and economic effects.

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