

Trump and the opportunity for Europe

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It is becoming clearer by the day that the election of Donald Trump poses a major challenge for Europe, too. The new US administration backs the UK's divorce from the EU, it prefers bilateral deals to multilateral trade agreements, and it accuses Germany of exploiting the EU as a vehicle for its own interests and of weakening the euro to gain an unfair competitive advantage. This charge against Germany is without any foundation. Like practically no other country, Germany criticizes the European Central Bank's expansionary policy that is weakening the single currency. Anyway, with an independent and supranational central bank, it is nonsense to talk of currency manipulation. As for "abusing" the EU, let's not forget that Germany is the biggest net contributor to the community budget. As part of the euro rescue policy, the German taxpayer dug deep into his pocket and took on credit risks.

But the U-turn in US policy towards more nationalism and protectionism also presents Europe with an opportunity. If Europe unites behind the banner of free trade and open societies and stands up for the preservation of a liberal world order, it will enhance its influence in the world. Will Europe pick up the baton? The challenges come at a very inauspicious moment. The EU is being buffeted by a series of crises and, in the UK, is losing an important member. Among the EU countries there is little willingness to come to an agreement on, say, refugee policy or stability and debt policy. Centrifugal forces are the order of the day. In this situation, traditionally pro-European Germany has a special role to play. In the framework of the EU, the German government should and doubtless will fight the corner of free trade and a liberal economic order more than ever. This will meet with much approval in the growth markets which are shuddering at the prospect of "America first". The turnaround in US policy also calls for greater efforts in foreign, security and defense policy. There is now every reason for the EU to work more closely together in these areas. Germany should also campaign for effective protection of the EU borders. The fact that Germany accepted some 660,000 asylum applications in 2016 is not the catastrophic mistake as seen by President Trump but an act of solidarity with the politically pursued and those fleeing from war. It also gives Germany the moral authority to seek a joint solution to the refugee problem.

Europe must not allow itself to be divided. It must seize the opportunities stemming from the looming withdrawal of the USA as the champion of a multilateral and liberal world order. This is of monumental significance. And it will require courageous political leadership at a time when the euroskeptic and anti-globalization chorus is getting ever louder.