



NIAS-Europe Studies Brief

Transatlantic Ties in the Wake of Ukraine-Russia War

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Introduction

Often, transatlantic ties are touted as an essential mechanism for global peace, security, stability, and liberal world order. The last few years, however, revealed a crisis emerging between the United States and Europe. US President Donald Trump's years in office raised serious questions regarding the US commitment to European security. The Russian attempt to invade Ukraine has nonetheless signalled a restructuring of the transatlantic ties. This issue brief looks at the pre-existing strains in the transatlantic partnerships. Whether and how the Ukraine war is impacting the relationship? What will the relationship look like going forward?

Impact of war on the transatlantic partnership

The ties between the US and EU had reached their nadir during the Trump administration¹ because of Washington's protectionist and isolationist approach. Despite Joe Biden coming to power, his age, Trump's legacy, the US withdrawal from Afghanistan, and the AUKUS deal undermined European trust in the US. On the other hand, for the successive American administrations, Europe not sharing the associated costs in security has been a perennial source of friction. Whatever allies' trust was gone in the last few years, the Ukraine war has reversed it with the European allies into returning to dependency on the US. Yet the key question is, will the US continue to remain the chief security guarantor of European security? This is challenging given the long-term prognosis of Western decline.

Security

The most obvious and consequent impact of the war on the transatlantic relationship has been in the security sphere. NATO is experiencing a revived sense of unity and urgency, based on a clear reconfirmation of its core mission as one of collective territorial defence in Europe. The war has also made clear the centrality of the US as the security underwriter of Europe. The war also reaffirms the decision of the Central and Eastern European countries to place their trust in defence ties with Washington. Europe's big three—Germany, France, and Britain are playing a role coordinated by Washington. Germany's strategic orientation has been the most noteworthy. Germany over the past decades had been stressing the importance of economic relations abroad. Days after the Ukraine invasion began, German Chancellor

¹ Whineray, David, "Trump Has Irrevocably Changed American Relations with Europe—And Biden Probably Can't Fix It," *Carnegie Endowment for International Peace*, 2022.

<https://carnegieendowment.org/2020/05/06/trump-has-irrevocably-changed-american-relations-with-europe-and-biden-probably-can-t-fix-it-pub-81739>.

Olaf Scholz announced a sharp increase in defence spending². It has turned towards rearmament and has been lessening energy dependence on Russia. Other NATO nations -- France, the Netherlands, and Belgium have also pledged to increase their defence spending. When Finland and Sweden join the alliance, they will bring substantial new military capabilities, including advanced air and submarine capabilities, that will alter the security architecture of northern Europe. With Sweden's advanced Gripen fighters added to the F35s now ordered or under delivery to Norway, Denmark, and Finland, more than 250 highly modern fighters will be available in the region as a whole.

Western powers have also taken steps to increase aid in Ukraine and take punitive actions against Russia since it launched its 2022 offensive. Biden requested that Congress send USD 33 billion³ in emergency aid to Ukraine, and the US House increased the pot to USD 40 billion⁴ with about 60 per cent going toward security assistance in some form or another in May 2022. The US military has trained closely with Ukrainian forces in recent years, and it is providing them with various equipment, including sniper rifles, grenade launchers, night-vision gear, radars, Javelin anti-tank missiles, Stinger anti-aircraft missiles, patrol vessels, and unmanned aerial systems (drones). Several NATO allies are providing similar security aid. Along with that, the prospect of cyberwar looms larger. Biden has asked the private sector to harden its cyber defences, which remain patchy and incomplete⁵. The US has stated that cyber assaults on critical infrastructure, the financial sector, and other key targets will be met with severe retaliation. However, cyber warfare on a strategic scale has never occurred, and it remains unknown. For example, attacks on critical infrastructures, such as power grids and transportation networks, could unintentionally cause civilian deaths, while intrusion into military command-and-control nodes could alarm the commanders of Russia's nuclear forces.⁶

NATO allies have put sanctions to pressurize Moscow. These have already been hurting the Russian economy, covering much of its financial, energy, defence, and tech sectors and targeting the assets of wealthy oligarchs and other individuals. A "total economic and financial war on Russia" will deny Putin the financial resources to carry on the war and generate internal pressures on elites that could lead to his removal.⁷ The US and a few European governments have also banned Russian banks from SWIFT, a financial messaging system and placed restrictions on Russia's ability to access its vast foreign reserves apart from blacklisting Russia's central bank.⁸ Moreover, many influential Western companies have shut down or suspended their operations in Russia. Moscow's Nord Stream 2 pipeline

² Turak, Natasha, "Germany Announces Major Defense Policy Shift In Face Of Russia's Ukraine Invasion," *CNBC*, 2022. <https://www.cnbc.com/2022/02/27/scholz-germany-pledges-defense-spending-increase-in-shift-in-strategy.html>.

³ Viser, Matt, et.al, "Biden Seeks A Dramatic Increase In Aid For Ukraine," *Washington Post*, 2022. <https://www.washingtonpost.com/politics/2022/04/28/biden-russia-oligarchs-assets-ukraine/>.

⁴ Cancian, Mark F, "What Does \$40 Billion In Aid To Ukraine Buy?," *CSIS*, 2022. <https://www.csis.org/analysis/what-does-40-billion-aid-ukraine-buy>.

⁵ "Statement By President Biden On Our Nation'S Cybersecurity," *The White House*, 2022. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/21/statement-by-president-biden-on-our-nations-cybersecurity/>

⁶ "Climbing The Ladder: How The West Can Manage Escalation In Ukraine And Beyond," *Atlantic Council*, 2022. <https://www.atlanticcouncil.org/in-depth-research-reports/report/managing-escalation-in-ukraine/>.

⁷ "Climbing The Ladder: How The West Can Manage Escalation In Ukraine And Beyond," *Atlantic Council*, 2022. <https://www.atlanticcouncil.org/in-depth-research-reports/report/managing-escalation-in-ukraine/>.

⁸ Hotten, Russell, "Ukraine Conflict: What Is Swift And Why Is Banning Russia So Significant?," *BBC*, 2022. <https://www.bbc.com/news/business-60521822>.

also lies abandoned for the moment, which could have given Russia greater political leverage over Ukraine and the European gas market. Germany and other nations are reducing their energy dependence on Russia despite difficulties. However, several countries have continued to trade with Russia making it more laborious to cripple its economy.

Another aspect is the forced migration of people from Ukraine which has sent shockwaves across Europe. At least 12 million people have fled their homes since the Russian invasion. In the US and Europe, there is a strong impulse to adopt a “right to migration” that would supersede national borders and state sovereignty. The EU has granted Ukrainians the automatic right to stay and work throughout its 27 member nations for up to three years⁹. They are entitled to social welfare payments and access to housing, medical treatment, and schools. The Biden administration has adopted more liberal policies that have allowed over two million to illegally enter the country. But domestically, in the US and Europe, there has been a strong pushback over illegal migration, crime, and national security concerns, as well as societal issues. Thus far the refugees from Ukrainian have received a warmer welcome than their Syrian, Libyan, and African counterparts because of racial or ethnic reasons. How long this will last remain to be seen.

China

Both Europe and the US in the last few years have recognized “the strategic challenge presented by China’s growing international assertiveness. EU has been looking at the People’s Republic as being simultaneously a “partner, a competitor, and a systemic rival”¹⁰. There has been a greater push by the EU and US for the implementation of Chinese commitments regarding market access in China, subsidies, intellectual property (IP) protection, and government procurement rules. Tensions in the Taiwan Strait, and East and the South China Sea have also found a place in the discussions in multiple fora. France, Germany, and the UK have all sent naval vessels through the South China Sea, complementing the US naval presence there, to signal a transatlantic assertion of their right of passage to through the waters where China claims sovereignty much to Beijing’s displeasure.

The current conflict brings out Beijing’s relationship with Moscow. China has been a crucial trade partner for Russia since the war. It increased its export of some goods in Russia and has brought record quantities of Russian oil. It has also stated its willingness in carrying out “necessary mediation” between the two countries. However, China has also been sending humanitarian aid to Ukraine, and has recently shown “concerns”¹¹ about the war. If Beijing takes up the role of a mediator, it could enhance China’s status as a global power and help repair the damage that its ties with Europe have sustained. The Chinese may also look at the situation as a way of Russia becoming increasingly dependent on them. Russia has already been requesting military and economic assistance from China. So far China appears to have refrained from shipping weapons to Russia. With China’s support, the Russian assault on Ukraine is testing the long-term commitment of the US-EU to countering authoritarian

⁹ "How Many Ukrainian Refugees Are There And Where Have They Gone?," *BBC*, 2022.

<https://www.bbc.com/news/world-60555472>.

¹⁰ Gewirtz, Paul, Ryan Hass, Susan Thornton, Robert Williams, Craig Allen, and David Dollar, "A Roadmap For U.S.-Europe Cooperation On China," *Paul Tsai China Center*, 2022.

https://law.yale.edu/sites/default/files/area/center/china/document/roadmap_for_us-eu_cooperation_on_china.pdf.

¹¹ Davidson, Helen, and Andrew Roth, "Putin Tells Xi He Understands China’S ‘Questions And Concerns’ Over Ukraine," *The Guardian*, 2022. <https://www.theguardian.com/world/2022/sep/15/putin-thanks-xi-china-balanced-stance-on-ukraine-invasion-russia>.

aggression, contradictions, and disinformation. Chinese media continues to project pro-Russia sentiments, report on US bioweapon research labs in Ukraine, and silence Chinese public criticism of Russian military action. For the US, shoring up sustained support and cohesion from like-minded nations in Europe and Indo-Pacific will be pivotal for international security.

As Russian dependencies on China increase, Europeans might align closely with the US seeing China as a threat rather than a partner. Happening on the heels of COVID-19, the war could also lead to a greater shared understanding across the Atlantic on the need to reduce dependencies on China just as much on Russia. NATO now recognizes China as a security challenge for both Europe and North America. Brussels and Washington have a China dialogue in place. Beijing's expansion of its naval presence and capabilities in the South China Sea and the Indian Ocean is seen by many Europeans as a threat to European external trade in goods that pass through those bodies of water. And both Europe and the US are highly dependent on high-end computer chips manufactured in Taiwan when Beijing is upping its military pressure against Taiwan.

Technology

Trans-Atlantic discussions in the last few years have revolved around regulation of data flows. Threats such as the misuse of artificial intelligence and other technologies to promote illiberal, techno-nationalist visions of global governance have gained insight. COVID-19 also brought home the point that to deal with global pandemics or climate change, the US and the EU need a data-sharing framework that extends beyond the transatlantic space. Till now the dialogue has remained in its infancy and numerous contentious points have emerged in the areas of data governance, privacy protection, and digital taxation. While the US applies a laissez-faire approach to tech governance that leaves a lot of space for self-regulation by private entities, the EU has a robust regulatory framework (GDPR, Digital Markets Act, Digital Services Act, etc) that imposes firm guardrails for tech companies. However, under the current US administration, there is a greater alignment on the need for governmental involvement in financing and regulation in this sector. EU on its part is moving to create incentives for tech innovation and green transition of European economies. In the US, in an attempt to counter Chinese influence, the Senate has approved the US Innovation and Competition Act (USICA) pouring more than USD 200 billion¹² to support research and development in strategic tech sectors such as the semiconductor industry, artificial intelligence, and wireless broadband. These two initiatives attest that both sides are looking to collaborate and innovate in the field of technology. The need for collaboration has become stronger in the wake of Ukraine crisis. A Trade and Technology Council was recently convened for the second time having a constellation of senior officials from either side of the Atlantic. Outcomes involved support to Ukraine, information integrity, trade and labour dialogue, export controls, and securing supply chains. Both sides have agreed to work to foster the development of aligned and interoperable technical standards in areas of shared strategic interest such as AI, additive manufacturing, recycling of materials, or the Internet of Things.

Climate negotiations

The European Union and the United States were previously key partners in combating climate change. The geopolitical environment changed dramatically during Trump's presidency, followed by competition with Beijing and COVID-19. With Biden coming to power there is a newfound enthusiasm on both sides with regard to climate cooperation. The

¹² S.1260 - United States Innovation and Competition Act Of 2021. US Congress, 2022

EU's proposed agenda with the Biden administration released shortly after his election victory last year listed "emissions trading, carbon pricing, and taxation" as priority issues¹³. While discussions have been ongoing regarding green tech, sustainable finance, resilience, and transitioning to a green economy, more needs to be done. The war has sparked a global energy crisis which has a direct threat to climate goals. The war has exposed the world's dependence on oil and gas. As European nations scramble for alternatives, many are leaning towards higher-polluting energy sources. Environmentalists fear this might lead to intensification in coal use. Another less talked about aspect is the boot print. Military spending is carbon-intensive due to its dependency on fossil fuel. There has been an increase in military spending across Europe since the war started. Nations are reversing plans to stop burning coal. There is scramble for oil and billions are being committed to building terminals for liquefied natural gas, known as L.N.G. This is bound to have a negative impact on achieving ambitious goals to climate change.

Conclusion

The Ukraine-Russia conflict has been deeply symbolic, representing an assault on the idea of European integration project – on its so-called values of democracy, human rights, freedom, and rule of law. The war has been narrativized by the Western media as being triggered by the Ukrainian attempt to break free from Moscow's shadow, seeking a democratic and European future. Russia has blamed the war as a response centered on western expansion and militarization. These narratives have led to the belief that shared challenges faced by Europe and the US are best addressed together. Nonetheless, there is also a realization that the US might be a less reliable partner in the future and that Europe must finally take on more responsibilities on its side of the Atlantic and around the world. This also needs to be looked at in light of how Russia's annexation of Crimea in 2014 initially had a positive impact on transatlantic unity, even if with limitations. But this impact faded as the situation in Donbas and Crimea came to be seen by many in the West as a regrettable but tolerable "new normal." What could happen in the coming months and years is a replay on a larger scale of this dynamic if the fighting drags on while Russia occupies large parts of Ukraine.

The future of transatlantic ties lies in how the US strategizes to create a more capable European leadership model with added capabilities and ambition for the increased burden-sharing and "ownership" of its own security environment. However, any further expansion of NATO will have a detrimental role in further perpetuating conflict in the continent by diluting both conventional and nuclear deterrence in Europe.¹⁴ With regard to China as well, even as US, and EU find themselves on an even keel, the need to focus on the security crisis in the neighborhood is bound to reduce EU's bandwidth for building on recent efforts to define Europe's strategic role, alongside the US in the Indo-Pacific.

The transatlantic partnership is likely to move into the area of post-war reconstruction. It will involve the infrastructure, technology, agriculture, industrial supplies, and the energy sector. The EU prefers to reduce the economic, technological, and energy leverage that potentially hostile powers have. A lasting war in Ukraine and coordinated European and US economic decoupling from Russia could see more moves toward a closer transatlantic energy coupling.

¹³ Brattberg, Erik. "Transatlantic Relations After Biden's First 100 Days". *Carnegie Endowment For International Peace*, 2022. <https://carnegieendowment.org/2021/05/06/transatlantic-relations-after-biden-s-first-100-days-pub-84472>.

¹⁴ Patil, Sameer, and Vivek Mishra. "Ukraine Crisis And Its Impact On The Transatlantic Relations". *Observer Research Foundation*, 2022. <https://www.orfonline.org/expert-speak/ukraine-crisis-and-its-impact-on-the-transatlantic-relations/>.

They could also boost the importance of the recently created EU-US Trade and Technology Council as a nexus of closer transatlantic economic cooperation.

The impact of war on the transatlantic relationship would ultimately be determined more by its duration than any final outcome. The longer the conflict lasts, even if it is low-intensity and/or restricted to eastern Ukraine, the more the possibility of divisions within the EU emerging related to the war and Russia policy, with a knock-on effect on relations with the US. A long-lasting economic shock resulting from the war will fuel public discontent across Europe and in the US, which could revitalize intra-EU and transatlantic divergence¹⁵. Especially with both sides just emerging after the pandemic, tighter monetary policy by the European Central Bank and the US Federal Reserve could make things worse in this regard. For Europe, this implies that the US as a security provider cannot be totally guaranteed beyond the next two and a half years. The improved transatlantic relationship of today is a result of the war, but the coming years will be marked by European concern about the return of conservative politics in the US. Meanwhile, emerging divergences over Ukraine and Russia policy in Europe would renew US' frustration over European security complacency. Concerns on either side could potentially cost the transatlantic relationship any gains that were made since the war began.

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¹⁵ Bouchet, Nicolas, "The Impact Of The War In Ukraine On The Transatlantic Relationship," *GMFUS*, 2022. <https://www.gmfus.org/news/impact-war-ukraine-transatlantic-relationship>.