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Trump 2.0: What is at Stake for Europe and Germany

A second term for former U.S. President Donald Trump could bring profound changes for Europe—and especially for Germany. Driven by an aggressive, isolationist agenda, Trump's policies could radically reshape transatlantic security, support for Ukraine, economic and trade relations, technology policy, and, at the same time, strengthen anti-democratic forces in Europe. European leaders should prepare for potential upheavals and take proactive measures to safeguard their core interests.

Donald Trump could return to the White House, with polls showing a razor-thin margin as Election Day on 5 November is looming. Ultimately, a few tens of thousands of voters in a handful of swing states will determine whether Kamala Harris or Donald Trump will win the election.

A second term for Trump, however, would have far more dramatic implications for Germany and Europe than a presidency under Kamala Harris. Unconstrained by re-election pressures and surrounded from day one by loyal advisors, Trump could pursue a far more disruptive agenda than he did from 2017 to 2021. Unlike at the start of his first term, he would be better prepared this time. Conservative think tanks like the Heritage Foundation and the America First Policy Institute (AFPI) have already drafted detailed plans for a radical restructuring of the U.S. government and an aggressive, protectionist, and unilateral U.S. foreign policy.

Political leaders and the public in Germany and Europe appear to underestimate the potential consequences of a second Trump administration. While the European Commission and several German ministries have drafted contingency plans on how to respond to potentially confrontational measures from a new Trump administration, a “wait-and-see” approach still prevails among some policymakers and segments of the public. Many continue to place hope in a Kamala Harris victory or, at the very least, a less impactful Trump presidency.

Yet, realistically engaging with the far-reaching consequences of “Trump 2.0” is now urgently needed in order to prepare and build political support for necessary essential measures. In the following areas, shifts and political decisions threaten to impact core interests of Europe and Germany:

- **Security and NATO**, as Trump could withdraw from NATO or make its security commitments contingent upon a dramatic and rapid increase in European military spending.
- **Ukraine**, as Trump could drastically cut back or completely halt military and financial support for Ukraine, pushing it toward a peace agreement involving concessions to Russia. If Europe does not compensate for an American shortfall, Kyiv might be forced to accept these terms.
- **Economy and Trade**, as Trump could severely damage economic relations by imposing high tariffs on European goods, potentially igniting a trade war with the European Union (EU).
- **Technology**, as Trump might pressure European tech companies to align with U.S. export controls or sanctions against China, leading them to decouple from parts of the Chinese market.
- **Democracy and International Order**, as Trump could steer the U.S. toward an “illiberal democracy,” which could weaken liberal democracies globally and empower autocratic and anti-democratic actors, including in Europe.

I. Security and NATO

The military security of Europe today is largely dependent on the United States. This reality leaves Germany and its European partners with little room to maneuver should a more confrontational Trump administration decide to pivot away from Europe on security matters. Reduced U.S. engagement in European defense would force Europe to significantly strengthen its own defense capabilities under intense time pressure. Far more dramatic would be policies, or even just symbolic gestures, that cast doubt on U.S. security guarantees and extended nuclear deterrence.

What are Europe's interests?

Europe wants to retain the U.S. as a partner in defense and security policy, even under a second Trump administration. At the same time, regardless of Trump, it is in Europe's interest to develop greater capabilities and its own defense industry in the medium term to obtain a higher degree of strategic autonomy.

What would change under a second Trump administration?

Regardless of who ultimately enters the White House, China and the Asia-Pacific region remain the central focus of U.S. security interests. Europe will be subordinate to this and is likely to continue to lose relevance. This long-term process, supported by a bipartisan consensus, could take on disruptive traits under a Trump presidency. The former President has repeatedly voiced his disdain for NATO, questioned the role of the U.S. as a protective power, and sharply criticized Europeans, particularly Germany, for their low defense spending. He has repeatedly threatened to restrict U.S. involvement in NATO and questioned the U.S. commitment to collective defense under Article 5.

While a complete U.S. withdrawal from NATO is unlikely, a Trump administration could still significantly weaken the American pillar of the alliance. Trump could reduce the number of conventional U.S. forces in Europe, limit cooperation on intelligence, surveillance, and reconnaissance, or even end U.S. nuclear deterrence.

NATO allies would be pressured not only meet but to exceed the two percent defense spending commitment reaffirmed at the 2023 Vilnius summit. Germany, in particular, which has been a focus of Trump's criticism since his first term, would come under enormous pressure if it failed to meet these targets.

What can Europe do to advance its interests?

Since the American focus on China and the Indo-Pacific is unlikely to shift regardless of the presidency, Germany and Europe, in any case, are all the more encouraged to strengthen their own defense capacities. The more decisively this goal is pursued, the more it would align with American interests—thereby increasing the likelihood of retaining a minimum level of U.S. commitment to transatlantic security. Against this backdrop, it would make sense for Europe to not only emphasize but to build on the progress made in defense spending over recent years (22 of the 30 European NATO members have now reached the two percent defense spending target) and set even more ambitious goals for the next five to ten years. A certain share of the increased defense efforts could also be realized through the purchase of American weapon systems.

Moreover, a strong Europe is in America's interest given the systemic competition with China. Therefore, Europeans should show a second Trump administration how they could support Washington in its confrontation with Beijing. However, Europe would need to be prepared to make concessions in economic and technological policies in order to convince the U.S. of its strategic value as a partner in this arena.

II. Ukraine

The outcome of the war in Ukraine is crucial for establishing a new security order on the European continent. If Russia were to win the war, it could expand its neo-imperialist expansion efforts in other regions, such as the Baltics. However, if Kyiv succeeded in defeating Russia, Ukraine could possibly, in the long term, become a cornerstone of a new European security architecture.

The United States is currently Ukraine's largest military supporter and second-largest financial supporter (after the EU and its 27 member states). Any reduction or complete withdrawal of American support would thus need to be compensated by the Europeans.

What are Europe's interests?

A Ukrainian victory is an essential prerequisite for building a new European security order. However, achieving this without continued American support would be far more challenging. Fully compensating for American support, especially in the short term, would be a massive political and organizational challenge. Therefore, Europe has a strong interest in ensuring that the U.S. continues to support Kyiv with as many resources as possible.

What would change under a second Trump administration?

Donald Trump has repeatedly claimed that he would end the war in Ukraine "within 24 hours" or at least "very quickly" if re-elected—a position he reiterated after meeting Ukrainian President Volodymyr Zelensky in September 2024. Details on how he intends to achieve this goal are lacking.

Trump has already advocated for numerous changes in U.S. policy toward Ukraine. He has suggested a loan-based framework for U.S. aid but also hinted that all support could cease if he returned to office. Additionally, he believes that lifting sanctions on Russia should be part of a peace agreement.

J.D. Vance, Trump's vice-presidential candidate, has questioned Ukraine's ability to sustain its military efforts and called for an immediate end to U.S. aid. Furthermore, he has proposed a "peace plan" that would demand Ukraine to demilitarize and cede the territories currently controlled by Russia. Vance was one of 18 Republican senators who voted against the latest USD 61 billion aid package for Ukraine.

What can Europe do to pursue its interests?

If U.S. military and financial support for Ukraine were significantly reduced or completely withdrawn, Germany, in its own interest, would bear the responsibility of working with European partners to fill the enormous gap. Germany's economic strength positions it as a key player in Europe. Berlin would not only need to provide a substantial share of the necessary financial resources but also be in a position to take on a stronger leadership role within NATO and the EU.

Europe would also need to quickly assemble a comprehensive military support package to counter any speculation or stalling tactics. Here, the differing interests among European nations may clash. Even if a so-called peace or ceasefire agreement were reached, this would only mean that Ukraine would need immediate support to defend itself against further Russian invasion attempts or to deter them. This is true with or without U.S. guarantees. On the one hand, Europe would likely distrust any agreement made with Trump. On the other, without its own contributions, it would relinquish control and influence over developments and, therefore, its own security.

III. Economy and Trade

The EU and the U.S. maintain the world's largest bilateral trade and investment relationship, accounting for one-third of global GDP based on purchasing power. These economic ties are the foundation of shared prosperity on both sides of the Atlantic.

What are Europe's interests?

Despite close economic interconnections, there are significant differences in trade and industrial policies that have not been resolved, even under the Biden administration. Overcoming these conflicts would be in both parties' mutual interest and would strengthen the geo-economic power of Europe and the U.S.

What would change under a second Trump administration?

A second term for Trump would likely escalate economic policy conflicts, potentially leading to a trade war with the EU. Progress made in economic cooperation during Biden's presidency would likely be reversed and replaced by a more protectionist and confrontational U.S. trade policy driven by national security considerations. Trump's advisors have even proposed creating an "Economic War Council" that would include the U.S. Trade Representative, as well as representatives from the Commerce Department and the Pentagon.

Following his first term's approach, Trump would likely retain existing tariffs and impose new ones. He has already indicated that allies like the EU would not be exempt from this policy. Section 232 tariffs on steel and aluminum—originally imposed by Trump in 2018 at rates of 25 percent on steel and 10 percent on aluminum for national security reasons—would likely be reinstated. Trump has also announced plans for baseline tariffs of 10-20 percent on all U.S. imports. These sweeping tariffs are viewed by Trump and his supporters as essential to force trade partners into negotiations and protect U.S. industries. Germany might again come under fire, particularly with the possible reintroduction of auto tariffs, a threat first raised in 2019 but not enacted.

Countering China's economic influence would be central to Trump's economic agenda, likely affecting EU-China economic relations significantly. Trump would not only maintain existing tariffs against China but also expand them. He could also tighten export controls, impose sanctions on Chinese companies, and enact other measures to protect critical industries and technologies—all with the goal of decoupling the U.S. from Chinese markets and infrastructures. The EU might be pressured to follow suit, potentially through the imposition of secondary sanctions. These sanctions aim to prevent non-U.S. companies worldwide from engaging with entities targeted by unilateral U.S. primary sanctions, thereby expanding the reach of American restrictions beyond U.S. jurisdiction.

Furthermore, Trump views the U.S. as disadvantaged by global trade rules and international institutions like the World Trade Organization (WTO) and the International Monetary Fund (IMF), which he believes unfairly benefit countries like China and India (and, to a lesser extent, the EU) at the expense of American economic interests.

During his first administration, Trump had already floated the idea of withdrawing the U.S. from these multilateral institutions, though it was not ultimately enacted. Now, Trump and his advisors have expressed intentions to either drastically scale back U.S. engagement with or fully withdraw from the WTO and IMF, actions that would create massive disruptions in global trade and the international economic order.

What can Europe do to pursue its interests?

Responding to the threat or imposition of tariffs by a Trump administration must primarily be an EU-led effort. The EU Commission has proactively set up a task force to prepare for this possibility. It is in the EU's interest to provide a stronger response than the limited retaliatory tariffs enacted during Trump's first term. This response should be based on a decisive, preventative strategy aimed at achieving a negotiated solution before tariffs take effect.

Beyond the trade policy framework, additional and much broader economic and industrial policy responses are likely needed, although these cannot be elaborated in detail here. Another approach could involve seeking stronger alignment on China-related issues and presenting this as a potential gain for Trump, creating a foundation for cooperation. In this context, despite its limitations, the EU-US Trade and Technology Council (TTC) was instrumental in coordinating sanctions against Russia and advancing economic security measures targeting China, making it in the EU's interest to support its continuation, even under a potential Trump administration.

IV. Technology

Emerging technologies are crucial to Europe's innovative power and economic competitiveness, which are essential for securing its prosperity. However, Europe is increasingly falling behind the U.S. in developing and applying new technologies. At the same time, both Europe and the U.S. are challenged by China's technological advancements.

What are Europe's interests?

Although there is a strategic interest in developing a joint transatlantic technology policy, the U.S. and the EU struggle to find common ground in digitalization and technology adoption. Both follow very different regulatory approaches to technological innovation. Nonetheless, seeking compromises as a basis for setting common standards in this field remains a key transatlantic task—if only to prevent China from becoming the global standard-setter in strategically important areas.

What would change under a second Trump administration?

A second Trump administration's technology policy would likely follow two main paths: regulating big tech firms at home and responding to European regulatory pressures, while intensifying competition with China by treating technology as a national security issue.

Donald Trump is expected to ensure that major tech companies continue to face strict antitrust measures. Despite the traditionally business-friendly stance of Republicans, skepticism toward "Big Tech" is high, largely due to perceived censorship of conservative views. During his first term, Trump's administration initiated investigations and lawsuits against tech giants like Google, Facebook, Amazon, and Apple over antitrust concerns, including a major case against Google that continued under the Biden administration.

Both a Trump and a Harris administration would likely continue to restrict China's access to high-tech sectors to protect U.S. innovation. However, Trump could adopt a more aggressive approach, pressuring European companies to limit their technology exports to and imports from China. He could expand export controls, particularly for dual-use technologies, and increasingly resort to secondary sanctions. During his first term, Trump even threatened to cut Germany off from U.S. intelligence if it allowed Huawei to build its 5G infrastructure.

What can Europe do to advance its interests?

To effectively counter pressure from Washington, the EU should develop a unified policy on China. This would strengthen its negotiating position with the U.S., particularly in areas where U.S. economic power alone is insufficient to enforce measures against China and requires cooperation with Europe.

When it comes to aligning on technology regulation and coordinating the handling of critical emerging technologies in relation to China, forums like the TTC could play a key role in fostering structured transatlantic dialogue. The TTC has previously been successful in standard-setting initiatives, establishing common definitions for emerging technologies like Artificial Intelligence and quantum technology, and coordinating semiconductor supply chains and subsidies.

V. Democracy and International Order

If Trump wins the election, there will be a risk that the United States will develop into an “illiberal democracy” and take on recognizable features of an authoritarian system. The world’s oldest democracy could, in doing so, withdraw from the community of liberal democracies and their defenders.

What are Europe’s interests?

Liberal democracy is also under pressure in Europe. The EU and its member states face a dual challenge from anti-liberal forces at home and systemic challenges with authoritarian powers abroad, mainly from Russia and China. Populism and societal polarization have also increased in Europe. Right-wing extremist and anti-democratic parties and actors are challenging democratic principles and the rule of law in many places. Nevertheless, the EU remains a staunch advocate of liberal democracy. Democratic order, with its normative commitments, is the foundation of the EU and a fundamental condition for its political cohesion and collective action. It is therefore in Europe’s vital interest to protect and strengthen democracy globally.

What would change under a second Trump administration?

At the heart of Trump’s agenda for a second term is a comprehensive reshaping of the U.S. federal government, aiming to dismantle the so-called “administrative state” in favor of concentrated executive power. The future composition of the U.S. Congress will also be crucial to achieving this vision.

Trump himself has stated that he would be a “dictator,” albeit only on his first day. This statement should be taken seriously. As numerous speeches and plans from the Heritage Foundation and AFPI indicate, a central pillar of this agenda is the highly controversial “Unitary Executive Theory,” which, citing Article II of the U.S. Constitution, asserts that the president possesses full control over the executive branch. Under this interpretation, Congress and the judiciary would have only limited oversight.

This not only challenges the traditional separation of powers but also undermines the longstanding principle of executive restraint, granting the president nearly unlimited control over the federal agencies’ operations. These plans would centralize political power within the executive, weakening the current system of checks and balances.

Trump’s approach to restructuring the government would also profoundly affect U.S. foreign policy. The reintroduction of “Schedule F”—a Trump policy allowing the dismissal of career officials and their replacement with political loyalists—would politicize the federal administration to an unprecedented degree. The long-term impact of these changes could outlast his presidency: The loss of institutional expertise by dismissing knowledgeable and experienced U.S. officials could significantly weaken bilateral cooperation, undermine trust and long-term partnerships, and severely hinder diplomatic efforts.

On the international stage, Trump's closeness to autocrats and dictators could strengthen illiberal forces and far-right parties globally. There are already institutional connections, through the Heritage Foundation and the Conservative Political Action Conference, between right-wing movements in the U.S. and Europe, which would likely be further strengthened and expanded in a second Trump term. Politicians like Hungarian Prime Minister Viktor Orbán and other autocratic or illiberal actors in Europe would have a strong ally in the White House who might prefer bilateral relations with these „like-minded“ leaders over cooperation with Brussels.

What can Europe do to advance its interests?

Germany and the EU should deepen their relationships with members of the U.S. Congress, state and local governments, and civil society organizations to identify allies and like-minded actors. Such partnerships can help mitigate negative impacts on democracy and multilateral, rules-based cooperation, while supporting the preservation of democratic norms over the long term.

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