

Hope and no change

After Barack Obama's re-election, it is time to push for transatlantic free trade



Beneath the statues of medieval aldermen in the gothic hall of the Hôtel de Ville in Brussels, applause broke out when CNN called the American presidential election for Barack Obama around 5:30am on November 7th. More rejoicing ensued, and sparkling wine for those who could take it so early, after Mitt Romney conceded defeat and Mr Obama spoke. The result was, above all, a relief for the dignitaries invited to watch election night with the three American ambassadors (to Belgium, NATO and the European Union) in the supposed "capital of Europe".

Among Europeans, Mr Obama may not have lived up to the hope of his speech in Berlin in 2008, or of the Nobel peace prize prematurely bestowed on him a year later. But he helped restore America's standing after the Bush years. If asked, Europeans would have overwhelmingly chosen "no change". Mr Obama's policies are reassuringly familiar. By contrast Mitt Romney's views on cutting taxes and government, not to mention the social and religious views of some Republicans, seem alien on a continent where a generous welfare state is a badge of enlightenment. And his aggressive rhetoric on Russia, China and Iran discomfited Europeans, with their love of pacific, multilateral talking.

Yet many were dismayed that Europe was barely mentioned during the campaign. This reflects a mood of declinism and also a sense of unrequited love. Over the past four years Europeans feel their embrace of Mr Obama has not been reciprocated. But they had little time for a Republican who talked of Europe only as a warning of economic catastrophe when he said deficits would make America go the way of Greece.

To some European leaders, Mr Obama's victory offers reassurance that they too may be re-elected despite an economic crisis. For foreign-policy types there are hopes that a second-term president might inch closer to European views on the Middle East or climate change. After all, even the reviled George Bush worked hard to mend fences with Europe in his second term, after the bitterness over the war in Iraq.

To some Americans, raising the question of American neglect is proof of Europeans' narcissism and dependency on Uncle Sam. Europe is for the most part free and at peace. Seen from Washington, the question is not whether America should worry about Europe, but how Europe can help America in the world.

Mr Obama may plan more defence cuts, but his administration is worried by Europe's declining military capability. The air war in Libya, on Europe's doorstep, required substantial help from America, even as Mr Obama made a point of "leading from behind". Mr Obama may be more cautious than Mr Romney or Israel about military action to stop Iran getting nuclear weapons. But if he decides sanctions have failed to dissuade Iran, how many Europeans would join him in attacking the Islamic republic? And where European leaders fret about Mr Obama's "pivot" to Asia, he may feel there is too little European support for America's effort to reassure China's neighbours.

There is certainly no American disengagement on the economic front. Bruegel, a think-tank in Brussels, has trawled through the schedule of Tim Geithner, America's treasury secretary, to measure the accelerating tempo of meetings and phone calls with European figures during the euro crisis. For Mr Geithner, calling Europe now means, above all, calling the European Central Bank. He was even invited to an informal retreat of European finance ministers in Poland last year. More unusually, Mr Obama found himself in control of a mini-summit of European leaders at the G20 meeting in Cannes as he tried, and failed, to persuade Germany to strengthen the euro-zone firewall.

Mr Obama's America has urged European countries to act more boldly, refrain from throwing Greece out of the euro and move towards deeper integration. More quietly, it has urged Britain to stay involved in the EU. Through his policies at home, Mr Obama has also offered an alternative to everlasting austerity. So on this front, his re-election may not make life easier for Germany. Many Europeans will not mind if, for a while at least, the market's attention turns to the American fiscal cliff.

Still indispensable

The political tectonics of the globe, like the geological ones beneath the Atlantic, may be slowly pushing America and Europe farther apart. Yet the relationship between the two remains the closest and richest in the world. It accounts for about half of global GDP and nearly one-third of trade, and is the basis for the world's most important military alliance.

If America is the indispensable nation then Europeans could and should be the indispensable partners. The idea of American hyperpower died in Iraq. The delusion that the EU could exert "normative power" by example through its economic integration died in Greece. The infuriating Europeans are still America's first port of call in an international crisis. Particularly at a time when the rich world is in trouble, Europe and America need each other, if not for mutual defence then for mutual recovery.

A good place to find both growth and jobs would be to push for a free-trade agreement currently only at the exploratory stage. The European Commission reckons an ambitious deal could boost transatlantic trade by about 50%. That is worth fighting for. Most tariffs are already low, but they can be reduced or removed entirely. Regulatory and other non-tariff barriers will be harder to tackle, not least because they touch on things like safety of medicines and food. A pact between America and the EU is one of the few free-trade agreements that all European countries want. Big business on both sides of the ocean is for it. And it would give a strong signal of renewed life both in the idea of free trade and in the transatlantic relationship.

Fonte: The Economist, London, v. 405, n. 8810, p. 57, 10 a 16 Nov. 2012.