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EIN Seminar on: "The Outlook for the US Presidential Elections and Beyond", Brussels

Chair:

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Speakers:

- **Michael C. MAIBACH**, *Managing Director & Board of Trustees, James Wilson Institute on Natural Rights & the American Founding*
- **Giovanni GREVI**, *Senior Fellow, European Policy Centre*
- **Peter CHASE**, *Senior Fellow, German Marshall Fund of the United States (GMF)*

- Trump's victory, as Brexit referendum, proved that in both sides of the Atlantic emotions and concerns are similar and have a strong impact on the voters. This result is a victory for the whole Republican Party that won the majority in both Houses.
- The clear Trump's message "Make America great again" versus Clinton's "Stronger together" seemed to convinced the voters. Clinton chose "Identity Politics" rather than focus on jobs, opportunity and a more effective government for all Americans.
- There are three key messages delivered by President-elected Trump that will help us to understand the outcome of the elections: 1) The US is a country itself, the "land of opportunities" starts with a land; 2) The Government is failing, and Hillary pretty much impersonates the failure of establishment, as a former Secretary of State and former First Lady; 3) The "American dream" must be kept alive;
- Ultimately, Trump reached the main street working people while Hillary lost some of her voting base to the independent candidates. Remarkably, Trump needed roughly the same votes Romney had in 2012 to be elected. Almost every mainstream media predicted a «blue wave» after the elections and an irreparable division in the Republican Party. In the end, Donald Trump won the elections against all the odds.
- Obama was a controversial president concerning both the economy and foreign policy. During his mandate, the US grew on average less than 2% and his debt record was the second worst since 1953. In addition, Obama's foreign policy was, on one hand, soft, creating power vacuums in places as the Middle East and, on the other hand, ideological, with a strong promotion of liberal economics.
- Instead of state building, Donald Trump shall emphasise his efforts on fighting terrorism. As such, he calls on NATO to fulfil its role, yet with a stronger European contribution. The European countries should not expect the US to defend them if almost none of them are complying with the agreed 2% to 3% expenditure on defence.
- As a process of clash and compromise between Institutions, foreign policy is permeable to inputs from different areas of thought, such as the usual "conservative internationalism" approach of the Republican Party. Nonetheless, the President-elect should trail an eclectic policy, characterized by the absence of a global strategy. Although pragmatic, it should be a "sort of anti-Kissinger approach", very much like doing business: a trade-off between what one part wants and what the other has to offer.
- Therefore, US foreign policy should follow a certain degree of discontinuity, as in the recently rebuilt relations with Cuba, but also through the intentions of reshaping NAFTA or withdrawing from TPP, decision that might have a positive impact on China's trade. Regarding the commercial policy, Trump has a highly mercantilist interpretation of it. As regards TTIP, although it is not a political issue for the main street, it should be accomplished through an annual system of sectorial agreements.
- On fiscal matters, Trump shall follow an extremely expansionist fiscal policy - very much like President Reagan - with significant support from the Congress. The country needs investment on infrastructures and these could be financed through Public-Private Partnerships, granting major tax credits to the «sponsoring» companies. However, this tax reform is not expected to tackle existing loopholes;

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