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FROM RELIABILITY TO STRATEGIC INSURANCE: U.S. DOMESTIC CHANGE AND THE RECONFIGURATION OF TRANSATLANTIC RELATIONS

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Abstract: The transatlantic relationship remains one of the most enduring institutional partnerships in international politics, yet its political underpinnings have become less predictable. This article examines how domestic changes in the United States are driving a reshaping of relations with Europe. It argues that the current shift is best understood through three interrelated mechanisms. First, political polarization and executive-centered politics make US commitments more dependent on elections and partisan control, prompting European states to seek strategic insurance without abandoning NATO. Second, economic nationalism has transcended the unified administration and is pushing the transatlantic economy away from broad liberalization and toward managed interdependence based on tariffs, subsidies, industrial policy, and supply chain security. Third, ideological differences over sovereignty, migration, regulation, and democracy weaken the assumption that the United States and Europe naturally belong to the same political project. This article does not argue that the alliance is crumbling. Rather, it shows how relationships once organized around relatively stable US leadership have become increasingly contingent, negotiated, and politically contested.

Keywords: United States; transatlantic relations; NATO; strategic autonomy; economic nationalism; European Union; political polarization.

Introduction

For much of the postwar period, European governments could disagree with Washington while assuming the basic framework of the relationship would hold. American presidents changed, trade disputes arose, and major crises divided allies, but NATO, the US security presence in Europe, and the broader political vision of the Atlantic community remained relatively stable. Today, the question is different. European policymakers are increasingly asking not only what the United States wants, but also whether commitments made during one presidential term will hold true for the next.

This uncertainty is not simply the result of one administration. Trump's second presidency has made the problem more visible, but the underlying changes are broader: a more polarized party system, weaker bipartisan consensus on foreign policy, stronger economic nationalism, greater reliance on executive power, and a political debate in which Europe itself has become part of the American arguments in the culture war. Recent studies of Trump's second presidency similarly link

the decline in the credibility of US foreign policy to domestic polarization, institutional change, and the erosion of old internationalist constraints.[1]

The main thesis of this article is that these domestic transformations are reshaping the transatlantic relationship through three channels. The first is credibility. Formal commitments remain, but their political interpretation appears more fluid, prompting Europe to hedge against a possible reduction in American support. The second is political economy. The United States and Europe remain deeply integrated, but both sides are increasingly organizing economic relations around national resilience, industrial capacity, and strategic sectors, rather than solely around liberalization. The third is normative trust. Policy disagreements over migration, digital regulation, climate policy, and national sovereignty increasingly raise questions about whether both sides still define democracy and the Western political community in the same way.

This article uses a qualitative approach based on official US, NATO, and EU documents, public opinion data, and recent academic literature. The goal is not to argue that domestic politics is the sole driver of transatlantic change. Russia's war against Ukraine, the rise of China, and the shifting global balance of power are certainly relevant. A more narrow claim is that external pressures are filtered through US domestic politics, and that European governments now take this domestic uncertainty into account when making long-term decisions.

1. Political Polarization, Reliability and European Strategic Insurance

Alliance credibility is difficult to measure because it hinges on expectations about future behavior. Military capabilities can be quantified, treaties can be read, but an alliance also depends on the trust that governments will act when fulfilling commitments becomes costly. In the transatlantic case, this trust has traditionally been based on US military power, NATO institutions, and a domestic political consensus in Washington that has typically persisted across administrations. Foreign policy analysis has long shown that presidential decisions are constrained and supported by domestic institutions, parties, and public opinion. The problem today is that these domestic foundations are subject to more open criticism.[2]

The partisan gap on NATO clearly demonstrates this. In 2025, the Pew Research Center found that 77 percent of Democrats and Democratic-leaning independents had a favorable view of NATO, compared to 45 percent of Republicans and Republican-leaning voters. In 2026, the gap remained virtually unchanged: 75 percent of Democrats had a favorable view of NATO, compared to 42 percent of Republicans. These figures do not indicate an isolationist stance by the United States. A majority of Americans still view NATO favorably. They demonstrate that support is distributed

[1] Florian Böller and Jakob Wiedekind, "The Declining Reliability of U.S. Foreign Policy and its Domestic Sources Under Trump II," Zeitschrift für Außen- und Sicherheitspolitik 18 (2025): 577–587, https://doi.org/10.1007/s12399-025-01075-0.

[2] Helen V. Milner and Dustin Tingley, Sailing the Water's Edge: The Domestic Politics of American Foreign Policy (Princeton: Princeton University Press, 2015), 1–20.

extremely unevenly across the party system. For European governments, this means that American elections could influence not only the rhetoric but also the conditions surrounding alliance policy.[3]

The same problem arises when foreign policy commitments rely heavily on the executive branch. Presidents can change diplomatic priorities, funding decisions, force balances, and treaty interpretations far more quickly than European defense planning can adapt. Procurement decisions in Europe are often made decades in advance. A fighter jet, air defense system, or intelligence system may depend on software, spare parts, and political access long after the administration that approved the purchase leaves office. The more policy is associated with the preferences of one party or one president, the more incentive European governments have to diversify risk.

This does not mean that American institutions have ceased to matter. Congress has limited the president's ability to unilaterally withdraw from NATO, and the alliance itself is supported by integrated commands, defense planning, bureaucratic procedures, and defense-industrial ties. These structures ensure continuity. At the same time, formal membership does not resolve all issues of political effectiveness. The president can remain committed to NATO by adjusting force deployments, negotiating burden-sharing more aggressively, or signaling that support is contingent on the behavior of allies.

The 2025 Hague Summit reflected this tension. NATO leaders reaffirmed Article 5 and committed to investing 5 percent of GDP annually by 2035, with at least 3.5 percent allocated to core defense needs and up to 1.5 percent for broader defense and security-related spending. On a material level, this strengthened the alliance. European allies and Canada have already increased their combined defense spending from 1.4 percent of GDP in 2014 to 2.3 percent in 2025, and each ally has met or exceeded the previously established 2 percent target by 2025. However, the political significance of increased spending is more ambiguous. It simultaneously shares the burden within NATO and hedges against the possibility of less predictable support from the United States.[4]

European Union defense initiatives point in the same direction. The White Paper on European Defense – "Readiness 2030" and the broader "Rearmament Europe/Readiness 2030" program have created new financial instruments for defense investments, including the SAFE mechanism, which provides loans of up to €150 billion. Europe is not creating a short-term replacement for NATO. Practical gaps in intelligence, strategic airlift, missile defense, logistics, and nuclear deterrence remain too great to allow a quick break with the United States. A more realistic model is hedging: Europe remains dependent on US power while investing in the ability to manage periods of American absence, delays, or conditional support.[5]

This is why the idea of strategic insurance is more useful than mere phrases like "Atlantic unity" or "European autonomy." Europe isn't choosing between the United States and independence. It's trying to preserve the alliance while simultaneously reducing the political costs of dependence.

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[3] Pew Research Center, "NATO Gets High Marks From Member States," July 6, 2026, https://www.pewresearch.org/global/2026/07/06/nato-gets-high-marks-from-member-states/.

[4] North Atlantic Treaty Organization, "Funding NATO," updated April 2026, https://www.nato.int/en/what-we-do/introduction-to-nato/funding-nato.

[5] Hugo Meijer and Stephen G. Brooks, "Illusions of Autonomy: Why Europe Cannot Provide for Its Security If the United States Pulls Back," International Security 45, no. 4 (2021): 7–43, https://doi.org/10.1162/isec_a_00405.

Therefore, internal polarization in the United States has international consequences, even if the treaty isn't terminated: it changes the allies' calculations.

2. Economic Nationalism and the Rise of Managed Interdependence

At the same time, the economic side of transatlantic relations is changing. For much of the post-Cold War period, the general direction was toward opening markets, lowering tariffs, and deepening economic integration. Disputes over agriculture, aviation, steel, taxation, and data arose frequently, but they occurred within the broader assumption of the desirability of liberalization. This assumption has now weakened in the United States.

The domestic roots of this shift are well known. Studies of import competition have shown that the "China shock" had a lasting impact on employment and wages in vulnerable American communities. Other work has shown how globalization can create political demand for protection when the costs of adjustment are concentrated and visible. These arguments do not mean that trade alone has given rise to populism or the "America First" movement. They explain why policies promising to restore manufacturing, protect workers, and reduce dependence on foreign supply chains have become politically attractive.[6]

It's important to note that economic nationalism hasn't disappeared during the Biden administration. The CHIPS and Science Act and the Inflation Reduction Act used subsidies, tax breaks, and local manufacturing requirements to attract strategically important manufacturing capacity to the United States. Europe's response was mixed. EU leaders welcomed increased American investment in semiconductors and cleantech, but feared that generous American subsidies would divert capital and production away from Europe. The EU's Green Deal industrial plan and the Zero Emissions Act were designed in part to strengthen Europe's own industrial base in this increasingly competitive environment.[7]

Donald Trump's return to power in 2025 intensified the shift from industrial policy to direct economic negotiations. The "America First" trade policy memorandum explicitly linked trade policy to national security, industrial and technological superiority, and benefits for American workers and manufacturers. In April 2025, the administration also declared the large and persistent trade deficit a national emergency and used reciprocal tariffs as a central policy tool. The policy message was simple: economic interdependence would be assessed based on whether it produced tangible national benefits.[8]

The US-EU trade agreement announced in August 2025 reflected this new environment. It established a comprehensive 15 percent ceiling on US tariffs for most EU goods, with sectoral exceptions and special treatment for some strategic goods. From the perspective of the old liberal

[6] Dani Rodrik, "Populism and the Economics of Globalization," Journal of International Business Policy 1, nos. 1–2 (2018): 12–33, https://doi.org/10.1057/s42214-018-0001-4.

[7] European Commission, "A Green Deal Industrial Plan for the Net-Zero Age," COM(2023) 62 final, February 1, 2023; Regulation (EU) 2024/1735, Net-Zero Industry Act, https://eur-lex.europa.eu/eli/reg/2024/1735/oj.

[8] The White House, "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits," Executive Order 14257, April 2, 2025, https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/.

model, a 15 percent ceiling could hardly be considered ambitious liberalization. However, from the perspective of tariff confrontation, it provided predictability. This distinction is important. Relations are moving away from the assumption of a gradual reduction of barriers to a system in which access is negotiated sector by sector, taking into account security and industrial considerations.[9]

The scale of economic relations limits the scope for this competition. In 2025, US merchandise trade with the European Union reached approximately $1.048 trillion. US exports totaled $414.4 billion, while imports totaled $633.2 billion, resulting in a merchandise market deficit of $218.8 billion. These figures can serve as the basis for two very different political theories. Supporters of integration view intensive trade and investment as evidence of mutual prosperity. Economic nationalists focus on deficits, vulnerable industries, and the location of production. Thus, the disagreement concerns not so much the economic significance of this relationship as what kind of interdependence is politically acceptable.[10]

Security policy further complicates the situation. Europe wants to increase defense spending to strengthen its own industrial base, while American manufacturers naturally view expanded European purchases as a commercial opportunity. Both sides also want more reliable supplies of semiconductors, energy technologies, and critical minerals, especially in response to China's actions. At the same time, each government wants factories, investment, and skilled jobs at home. This gives rise to what can be described as managed interdependence: trade and investment continue at very high levels, but governments increasingly shape them through subsidies, procurement rules, export controls, and "trusted supplier" policies.

The concept of "weaponized interdependence" helps explain why governments are more cautious about economic dependence than they were in the 1990s. States that control key financial, technological, or network nodes can use them to coerce or exclude. The United States wields exceptional influence through the dollar, finance, and technology; the European Union wields significant regulatory and market power. As both sides become increasingly aware of these tools, economic networks are no longer viewed as politically neutral. The result is not a breakdown of ties, but a more strategic and sometimes more competitive form of integration.[11]

3. Ideological Reframing and the Erosion of Normative Trust

Security guarantees and economic ties are only part of the transatlantic relationship. For decades, the alliance was also described as a community of democracies. The United States and Europe never had identical political systems or social models, but disagreements typically arose within the assumption of shared belonging. This assumption facilitated conflict resolution: a dispute over defense spending or regulation usually did not mean the other side had become politically illegitimate.

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[9] United States and European Union, "Joint Statement on a United States–European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade," August 21, 2025, https://www.commerce.gov/news/press-releases/2025/08/joint-statement-united-states-european-union-framework-agreement.

[10] Office of the United States Trade Representative, "European Union," 2025 trade statistics, https://ustr.gov/countries-regions/europe-middle-east/europe/european-union.

[11] Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," International Security 44, no. 1 (2019): 42–79, https://doi.org/10.1162/isec_a_00351.

This form of normative trust is now under great pressure. Parts of the American right increasingly describe Europe not simply as a wealthy ally that spends too little on defense, but as a political model with serious internal problems. The debate includes migration, national sovereignty, climate regulation, digital platforms, religion, and free speech. Vice President J.D. Vance's speech at the Munich Security Conference in February 2025 was a prime example. He asserted that the greatest danger he feared in Europe stemmed from an "internal threat" stemming from the retreat of free speech and democratic accountability. The significance of this speech wasn't that an American official was criticizing Europe; that had happened many times. The point was that Europe's internal political model itself was being presented as a security problem.[12]

As a result, the Atlantic space is becoming more ideologically fragmented. American national conservatives may feel politically closer to certain European parties than to the governments of traditional allies. European political movements, in turn, are increasingly using American politics as part of their domestic arguments. Thus, transatlantic relations function not only between states but also through parties, media networks, tech companies, and social movements. This makes diplomatic relations more sensitive to shifts in electoral politics on both sides of the Atlantic.

Public opinion suggests that these political changes are noticeable beyond elite debates. An ECFR poll conducted in early 2025 found that Europeans were more likely to describe the United States as an "essential partner" than as an ally. By June 2026, only 11 percent of respondents in an ECFR survey conducted in 15 countries described the United States as an ally, while 25 percent viewed it as a rival or adversary; half still described it as an indispensable partner. The exact figures should be treated with caution, as the survey's wording matters, but the direction is clear. Strategic dependence has not disappeared, but the language of political closeness has weakened.[13]

This isn't simply a European turn against the United States. Opinions vary sharply across countries and political groups. States on NATO's eastern flank remain particularly attentive to American security guarantees, while some right-wing European parties view the Trump administration as an ideological partner. The United States is also not a unified political actor: Congress, state governments, businesses, universities, and civil society maintain close ties with Europe. Thus, the Atlantic community is fragmented along ideological lines, rather than simply divided into two geographic camps.

The European Union's own political identity also shapes this conflict. The EU has long relied on regulation, standards, and legal authority as instruments of international influence, a role reflected in the idea of "Europe's normative power." When American officials criticize European regulations on digital platforms, climate policy, or competition as censorship or discrimination, EU institutions tend to interpret the dispute as a challenge to their legitimate regulatory model. The disagreements are complex because both sides claim to defend democratic principles but emphasize different ones: European institutions often emphasize accountability and common rules, while

[12] J.D. Vance, "Speech at the Munich Security Conference," February 14, 2025, in Munich Security Conference, Selected Key Speeches 2025, vol. II, https://securityconference.org/assets/02_Dokumente/01_Publikationen/2025/Selected_Key_Speeches_Vol._II/MSC_Speeches_2025_Vol2_Ansicht_gek%C3%BCrzt.pdf.

[13] Jana Kobzová and Paweł Zerka, "Home Alone: Europeans Are Ready to Defend Themselves," European Council on Foreign Relations, June 10, 2026, https://ecfr.eu/publication/home-alone-europeans-are-ready-to-defend-themselves/.

American critics emphasize protection of free speech, sovereignty, and limits on administrative power.[14]

Normative trust matters because alliances sometimes require actions that cannot be justified by immediate economic calculations. Intelligence sharing, long-term defense integration, and solidarity in crises all depend on trust in political intentions. More pragmatic relationships may still work, but they become more difficult to sustain when every disagreement is interpreted as proof that the other side is fundamentally wrong. Therefore, the emerging transatlantic order needs more than just increased defense budgets and trade agreements. It also requires a political understanding that disagreements do not automatically turn an ally into an adversary.

Conclusion

The transatlantic alliance is not disappearing. NATO remains institutionally strong, American military capabilities remain central to European security, and economic relations are too vast and integrated to be easily replaced. How these relations are organized and understood is changing.

Domestic transformations in the United States are contributing to these changes through three mechanisms. Political polarization makes commitments more dependent on elections and encourages Europe to build strategic insurance. Economic nationalism has shifted the transatlantic economy from a simple liberalization program to managed interdependence, in which trade remains extensive but governments compete for manufacturing, technology, and strategic sectors. Ideological conflict has weakened the assumption that both sides automatically share the same understanding of democracy, sovereignty, and the West.

These developments could lead to either a more balanced alliance or a more fragile one. Increasing European defense capabilities could reduce unhealthy dependence on the United States and allow Washington to share the burden more equally. Industrial policy could strengthen reliable transatlantic supply chains. More open discussion of political differences could also lead to a less romantic but more realistic partnership. The risk is that conditionality degenerates into mistrust, competition into coercion, and ideological differences turn allies into participants in each other's domestic political conflicts.

Therefore, the primary task is not to restore the transatlantic relationship exactly as it existed in the past. The internal conditions that supported this model have changed. A sustainable relationship will need to embrace greater European responsibility, stronger economic negotiations, and greater political diversity, while maintaining sufficient institutional and normative trust for cooperation in times of crisis. In this sense, the new transatlantic relationship is best understood not as the end of Atlanticism, but as its reimagining.

[14] Ian Manners, "Normative Power Europe: A Contradiction in Terms?," Journal of Common Market Studies 40, no. 2 (2002): 235–258, https://doi.org/10.1111/1468-5965.00353.

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