**Headline:** The European Union on the Crossroads: Tariffs from Friends, Trade from Competitors  
  
By Biljana Vankovska

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**[Article Body:]**

The ninety-day customs truce ‘graciously’ granted by Trump is rapidly expiring, placing European economies in a serious dilemma. A looming 20% tariff hangs like the Sword of Damocles over an economic sector already in decline, further accelerated by the current wave of militarisation. Europe has lost both its compass and strategic vision. Founded and long sustained by geoeconomic prosperity, the European Union (EU) is now veering sharply, since Trump’s inauguration, towards military Keynesianism and an aggressively militarised agenda. But the price of decades-long dependency on the U.S. (not only militarily but economically) is now proving too high.

The geopolitical divorce – particularly in the realm of security and NATO guarantees – is unfolding as messily as any breakup. The EU, which once boasted grandiose visions before the 2008 crisis, now realises (as the old proverb goes) that it put all its eggs in one basket. One stumble, one misstep, one punishment – and everything shatters at once. The remaining options are either to go to Washington and, metaphorically speaking, ‘kiss the ring’ (a phrase I use to avoid repeating Trump’s crude description of what foreign leaders do there), or to turn to China.

Chinese President Xi Jinping extended a hand of cooperation and increased trade. We saw the Spanish Prime Minister visiting China, raising the question of whether he may have been negotiating not just for [Spain](https://www.globaltimes.cn/page/202504/1331958.shtml), but also offering himself as a mediator between Brussels and Beijing. Meanwhile, Italy’s Prime Minister Giorgia Meloni opted for a meeting with Trump, attempting to ‘[make the West great again](https://www.france24.com/en/europe/20250417-live-italian-prime-minister-giorgia-meloni-meets-trump-white-house)’.

Naturally, the core of the conflict lies in the U.S.–China rivalry between the world’s two economic giants. The rest of the world is left to anxiously await the outcome of a tariff war that has lost all economic logic and now serves purely as weaponised policy. Who will blink first? Who will back down? Xi is right to [warn](https://time.com/7277481/china-xi-jinping-trump-tariffs-trade-war-no-winners-diplomacy/) that there can be no winners in a tariff or trade war, but his White House rival has promised a ‘[golden age for America](https://www.whitehouse.gov/articles/2025/03/sunday-shows-the-golden-age-of-america-is-here/)’ at any cost – even if that cost falls on the American working class.

I was recently asked how the EU (or Europe as we now often call the hybrid alliance that still includes a post-Brexit UK) might respond in this impossible situation. The answer is far from simple. Just a few years ago, when the Euro-Atlantic alliance boasted of unprecedented unity and strength, European Commission President Ursula von der Leyen declared China not only a rival but rather a threat. Her [solution](https://www.eh4s.eu/publication/decoupling-or-de-risking-chinas-state-media-sees-little-difference)? De-risking and/or decoupling!

The same woman, again a head of the EU executive, recently gave an interview to [*Die Zeit*](https://www.zeit.de/politik/2025-04/ursula-von-der-leyen-eu-usa-donald-trump-english/komplettansicht), signalling that the West as we knew it is gone – and that the new EU must open itself to the world. In her words: ‘The world has become a globe also geopolitically, and today our networks of friendship span the globe, as you can see in the debate about tariffs. A positive side effect is that I am currently having countless talks with heads of state and government around the world who want to work together with us on the new order. This is true from Iceland to New Zealand, from Canada to the United Arab Emirates, as it is for India, Malaysia, Indonesia, the Philippines, Thailand, Mexico, and South America. Right now, I could have these conversations twenty-four hours a day. Everyone is asking for more trade with Europe – and it's not just about economic ties. It is also about establishing common rules, and it is about predictability. Europe is known for its predictability and reliability, which is once again starting to be seen as something very valuable’.

It is important to note that economic matters, including trade policy, fall under the EU’s supranational competence – decisions made at the EU level rather than nationally. (Recall former German finance minister Wolfgang Schäuble’s infamous 2015 [comment](https://braveneweurope.com/yanis-varoufakis-wolfgang-schauble-1942-2023) to Greek counterpart Yanis Varoufakis: ‘Elections cannot be allowed to change economic policy’.) But today’s EU is divided, barely able to agree on even basic issues. On existential matters, member states are already resorting to sovereign decisions, regardless of what the European Commission or its unelected president may say.

In a hypothetical world governed by common sense and rational choice, the EU would seriously consider economic de-risking/decoupling from the U.S. and freeing itself from dependency, aligning instead with the reality of a multipolar world. This means engaging with BRICS nations – especially China – which are likewise searching for post-hegemonic world [solutions](https://johnmenadue.com/post/2025/02/from-bretton-woods-to-brics/). It would mean emancipation from [the Bretton Woods system](https://en.wikipedia.org/wiki/Bretton_Woods_system), dollar hegemony, and a pivot toward genuine free trade based on bona fide deals and mutual benefit.

If Germany’s economy is faltering, one can only imagine the state of the EU’s less developed members. The reality is that very little can be manufactured in Europe today without Chinese components. Europe needs China just as much as China needs Europe. The immense potential of the Belt and Road Initiative stretches from Beijing through multiple arteries to the EU – and back. This would represent the best-case scenario, one that could also influence U.S. behaviour, regardless of who sits in the White House. The world is multipolar, and there is space for everyone, provided the rules are respected.

Sadly, I must end on a note of brutal realism: the European Union is no longer the entity we once knew. While the President of the European Commission still refers to it as a peace project, often contrasting it with the United States, back in her homeland, car factories are being repurposed to produce tanks. Leading newspapers promote three-month military training courses for young people. Governments are distributing manuals on household wartime supplies and nuclear emergency preparedness. Meanwhile, support for Ukraine remains unwavering, as if a victory over Russia were somehow still within reach. This is no longer a peace project; it is the prelude to a wider war.

Economically, the Union is being reshaped into a military-industrial complex. From a Balkan perspective, the image of Bulgaria’s prime minister shaking [hands](https://www.bta.bg/en/news/economy/873405-rheinmetall-approached-with-investment-proposal-for-gunpowder-plant-in-bulgaria-) with the CEO of Germany’s military giant Rheinmetall evokes chilling déjà vu, reminiscent of the alliances and atmospheres of the World War II era. This is even more worrisome in the context of the recently signed military [pact](https://peoplesdispatch.org/2025/03/26/the-shifting-alliances-and-militarization-of-the-western-balkans/) among Croatia, Albania and Kosovo. When the EU was thriving economically, its social contract read ‘more butter, less guns’. That now seems a lost dream. You can’t talk global cooperation while becoming a mini replica of the militarised Empire across the Atlantic.

In a private conversation, a colleague well-versed in West–China relations offered a sharp short-term forecast: ‘It would be in Europe’s interest to move closer to China. But since European leaders generally capitulate to the U.S., they are likely to engage in yet another round of self-inflicted damage. The EU will likely comply with Washington’s key demands while trying to soften the edges to secure minor concessions from China’. This assessment rings painfully true, especially in light of the EU’s self-destructive Ukraine [policy](https://www.trtworld.com/europe/is-europe-the-biggest-loser-in-the-russia-ukraine-war-18266606), which continues unabated despite mounting consequences.

Looking to the long term, an even more piercing insight comes from an unexpected source: a young Chinese voice on [TikTok](https://www.tiktok.com/@jeffrey1012/video/7493489040176549127), addressing his American peers. ‘Don’t blame China for your problems’, he said. ‘You don’t need a trade war – you need a revolution’. The message resonates far beyond the U.S. – Europeans should take note as well.