An Elective Partnership: Salvaging Transatlantic Relations

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When the United States and Britain finally abandoned their efforts to gain Security Council approval for military intervention in Iraq, their leading officials made clear who, in their eyes, was to blame – not Russia, not China, but a NATO ally, France.[1] The harsh words were a culmination of six of the most challenging months in the history of the NATO alliance – beginning with Vice-President Cheney's speech suggesting that the US might use force unilaterally to disarm Iraq and Chancellor Schröder's decision, in the waning days of the German election, to stake his future on outright opposition to any form of military action against Iraq. Although the unanimous adoption of Resolution 1441 in November 2002 seemed to offer a way out of the deepening rift, by January it was clear that the Alliance was facing its greatest crisis since Suez in 1956. US Secretary of Defence Donald Rumsfeld likened Germany to Libya and Cuba for its lack of support and German Foreign Minister angrily retorted with a blunt 'I am not convinced' at the NATO annual security-policy gathering in Munich.

Of course, there were divisions among European governments as well – eight EU members signed a letter to the *Wall Street Journal* offering support to the United States (pointedly excluding Germany, France and Belgium) and Prime Ministers Tony Blair and José Maria Aznar stood side by side with President George W. Bush on the eve of the war. But European publics were united – in every European NATO country, in the 'new' Europe as well as the 'old', huge majorities opposed the war and what appeared to be the most dramatic instance in series of provocative

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unilateral US moves that flew in the face of international law and international public opinion.

For those who had been predicting that strategic divergence between the United States and Europe would follow the end of the Cold War, the proof was plain to see. The conclusion drawn by these NATO-sceptics was that the transatlantic relationship was a relic of the past, irrelevant at best to the future security needs of the United States, and at worst a shackle on needed freedom of action. Other partners whose views coincided more closely with America's were available; in any event, the United States possesses the will and the capability to act alone.

The sceptics have it half right. The security environment has changed profoundly, and important elements of the old transatlantic bargain have disappeared. The collapse of the Soviet Union and the end of Europe's East-West divide removed one of the key links binding us together. The acceleration of the European project of a deeper and wider Europe has focused Europe's energy inward, while the emergence of the United States as a superpower with unprecedented military, political and economic strength has increased its global engagement. Demographic changes linked to new waves of immigration both in Europe and in the United States have weakened traditional ties of kinship and culture, while creating new constituencies with little historical connection to the transatlantic partner. With the century-long Balkan conflict now drawing to an end, Europe is entering an era of relative peace, while the United States, for the first time in its history, is preoccupied with its vulnerability to violence.

But sceptics have it half wrong, too. Both the United States and Europe face new global threats and opportunities that, in almost every case, can be dealt with far more successfully if we act together. Transnational threats, from terrorism and international crime to environmental damage and disease pose an increasing danger to our wellbeing. Porous borders and the extraordinary global flows of goods, money, people and ideas facilitate the spread of economic opportunity – but also foster the proliferation of technology for weapons of mass destruction. Weak states threaten our security as much as powerful ones. Ocean and land barriers offer little protection. Non-state actors – from business and NGOs to terrorists and money-launderers – play an increasingly influential role. In the place of geopolitics, a new 'global politics' is required to address the threats and opportunities that affect us all. If we can work together, we are likely to be far more successful at meeting the new global threats, and preserving our freedom and prosperity, than if we try to achieve these goals alone.

Developing a new, sustainable transatlantic relationship will require a series of deliberate decisions on both sides of the Atlantic – a partnership of

choice, not necessity. For the United States, this means avoiding the temptation, offered by our unprecedented strength, to go it alone in pursuit of narrowly defined national interests. For Europe, the new partnership will require a willingness to accept that the United States plays a uniquely valuable role as a leader in a world where power still matters, and that a commitment to a rule-based international order does not obviate the need to act decisively against those who do not share that vision.

This is not the first time in our histories that the transatlantic bargain has been stressed.[2] But there is reason to believe that the new challenges facing the United States and Europe are qualitatively different from those that have vexed us in the past. This essay will examine the transformed roots of the transatlantic relationship, and try to set out the parameters of a reformed, 'elective' partnership for the twenty-first century.

Globalisation and transformation

During the second half of the twentieth century, the transatlantic axis lay at the heart of the world's political and economic relations. The fault line of the strategic competition between the Soviet Union and the West stretched across central and southeastern Europe. Managing the nuclear standoff was the dominant, and most consequential challenge of that time. Although most of the 'hot wars' of the era took place far from Europe's shores, in proxy conflicts from north- and southeast Asia to Africa and Central America, each of them was linked more or less directly to the East–West competition. Western Europe's first steps toward integration were intimately linked to the need to build and maintain the military and economic strength to counter Soviet power, and received support from the United States for that very reason. China's emergence from political isolation came about as a result of Western triangular diplomacy to weaken the USSR.

Security was not the only link. The United States and Europe were each other's preferred trading partners and Europe remained the most important investor for the United States. A transatlantic political elite with close personal ties cemented during the Second World War and the post-war reconstruction period dominated politics and foreign policymaking on both sides of the Atlantic. These links were underpinned on the popular level by large-scale European migration to the United States from the mid-1800s through the mid-1900s, which provided ethnic and cultural bonds. As the world's oldest, most established liberal democracies, we shared common values, rooted in the Enlightenment.

These ties found their institutional expression in the Washington Treaty and NATO, an unprecedented formalisation of a political alliance. Although the United States established military alliances in the Pacific

and, for a while, in southwest and southeast Asia, NATO was not just the original but remained the pre-eminent one – a model of the United States' ability to assemble the world's leading democracies, tied together by shared military threats, political cultures and liberal values.

Yet even in the depths of the Cold War, forces were at work to loosen these bonds. Trade was the first obvious sign of shift. Intra-hemispheric trade took on increasing importance for both the United States and Europe, while transpacific flows also grew in importance. Overall trade today between the United States and Asia is about 50% higher than the level of transatlantic trade.[3] These changing trade patterns were a function of a revolution in global economic organisation, as the spread of technology and the long-term lowering of trade barriers through successive global trade rounds made it possible to organise production on a world-wide basis to tap the power of comparative advantage – shifting manufacturing to low wage countries along the Pacific Rim, from Mexico to southeast Asia and China, while tightening the economic bonds between importers and exporters.

Europeans realised that to compete on a global level, they would have to find new economic efficiencies through scale – a goal that could only be achieved through the deeper integration that culminated in the 1986 Single European Act, which created a single market in goods and services by 1992. With the movement in goods and services came a new movement of peoples. US immigration become dominated by flows from Latin America and Asia, while for Europe, a new wave of immigrants from the Arab and Islamic world and South Asia began to transform Europe's cities.

Europe seems within grasp of a 'zone of peace'

These changes accelerated with a vengeance following the collapse of the Soviet Union and its external empire in Eastern and Central Europe. The core, existential threat that brought the United States and Europe together simply melted away, while the barrier that kept Europe apart similarly dissolved. The 1990s saw struggles to cope with the immediate political and economic fallout of this remarkable shift – ranging from the virulent wars in the Balkans, to the economic and political challenge of German unification, the transformation of the former communist societies in central and eastern Europe, and the rapprochement with Russia itself.

By the beginning of the twentieth-first century, however, Europe seemed within grasp of a 'zone of peace'. An EU of 25 members will, by 2004, form its core. Its energies will be largely focused on consolidating that achievement, while coping with the political and economic stresses on the social welfare state that were exacerbated by a generation of

immigration from the Mahgreb and beyond. Integration proceeded apace, with the establishment of the European Monetary Union, and closer political coordination under the Maastricht Treaty leading to the Common Foreign and Security Policy and 'third pillar' cooperation in justice and home affairs.

For the United States, the world also changed rapidly in the 1990s, but in very different ways. It appeared at first that the United States, too, would turn inward, a sentiment reflected in James Baker's infamous observation concerning the Balkans that 'we don't have a dog in that fight' and candidate Bill Clinton's slogan for wresting the presidency from George H. W. Bush, 'it's the economy, stupid'. But then the forces of change began to draw the United States outward. Growing dependence on foreign trade and investment put international economics at centre of the agenda, from the completion of NAFTA and the Uruguay Round, through trade frictions with Japan, managing the global fallout from the Asia financial crisis of 1997–98, to the integration of China into the WTO. While the end of the Cold War initially brought a sense of heightened security to the United States, it quickly became clear to policymakers and the public that new kinds of threats – not linked to powerful states but closely associated with the new forces of globalisation that were erasing boundaries between countries – could prove equally daunting. Although these threats ranged from international criminal and drug organisations to infectious disease and environmental harm, it became increasingly clear to Americans that the threat of terrorism – from the first World Trade Center bombing in 1993, through the attacks on US troops in Saudi Arabia, to the embassy bombings in Africa in 1998 and the *USS Cole* in 2000 – was the number one enemy of the new age, a designation that was cemented by the attacks on 11 September 2001.

The consequences for US foreign policy of viewing counter-terrorism as the 'organising principle' of US national security strategy have been profound. In the immediate aftermath of 11 September, Bush, in a speech to the US Congress, announced that henceforth US relations with other countries would be judged by whether they were 'for us or against us' in the war on terrorism.[4]

This doctrine has had direct consequences for a number of important bilateral relations, most notably with Russia and China. During his presidential campaign, then-candidate Bush took a sceptical view of the importance of US–Russian relations, and a confrontational stance toward China, which his campaign labelled a 'strategic competitor.' Following 11 September, these relationships underwent a sea change. Both Russian President Vladimir Putin and Jiang Zemin were granted visits to Bush's

ranch in Crawford, Texas (an honour bestowed on only one US treaty ally, British Prime Minister Tony Blair), and the new National Security Strategy announced that for the first time in history, all of the great powers were on the 'same side' – a claim that would have seemed puzzling on 10 September 2001.

Other relationships, too, felt the impact of the dramatic shift in American priorities after 11 September. The United States developed closer ties with states, such as Uzbekistan, Tajikistan and Malaysia, that shared the US commitment to fighting Islamic terrorism, but which had been held at arms length prior to 11 September because of concerns about their leaders' anti-democratic practices. In order to secure Pakistan's cooperation in the war against terrorism, the United States considerably downplayed its concerns about that country's proliferation activities and the continuing restrictions on democracy by a military government. In the Middle East, the United States gave increasingly unequivocal backing to Prime Minister Ariel Sharon's hard-line response to Palestinian suicide attacks largely because the Bush administration saw in Israel's plight a mirror of its own. At the same time, the United States grew increasingly distant from traditional Arab partners, particularly Saudi Arabia, which was seen as being too tolerant – and even indirectly supportive – of the terrorists.

Traditional allies in both Europe and East Asia quickly sided with the United States following the terror attacks. But despite NATO's immediate invocation of Article 5, the US government appeared to accord a secondary role at best to NATO or even to individual allies in the initial phase of the campaign in Afghanistan. Over time, however, the United States began to see both the political and operational benefit of Alliance support. Allies' involvement both in military operations and peacekeeping in Afghanistan began to grow. These developments culminated in the decision to give NATO a formal supporting role for the International Security Assistance Force (ISAF) in Kabul, in NATO's November 2002 Prague Summit commitment to a greater role for NATO in counter-terrorism, and even an exploration of possible NATO involvement in supporting a military operation in Iraq.

From the US point of view, the problem of global terrorism directed at the United States was compounded by the spread of weapons of mass destruction, which itself was in part driven by the diffusion of technology through globalisation. The spread of information technology made it increasingly difficult to control the flow of WMD know-how, while ever more porous borders made the smuggling of dangerous materials easier.

The danger that terrorists would acquire WMD increased the Bush administration's predisposition to unilateralism. In its eyes, the threat to

the US was so great that it would be irresponsible to rely heavily on others – and particularly on international institutions and international law. America's growing military, spurred on by dramatic increases in the defence budget after 11 September, also seemed to make the unilateral option more plausible. The sense of heightened danger led to a growing emphasis, at least in rhetoric, on pre-emption and preventive war as tool in America's strategy. While the United States was not adverse to help from others, the administration was not prepared to compromise either its means or its objectives to achieve its imperative goals. 'Coalitions of the willing' replaced historical alliances at the core of the US approach. 'Sovereignty' in the form of freedom of action for the United States became a touchstone, while 'sovereignty' in the form of non-interference in the territory of others was increasingly subordinated to the US perceived need to act against emerging threats.

America's growing military might made the unilateral option more plausible

Europe has its own concerns about the negative consequences of globalisation generally and about terrorism in particular. But Europe's response to the challenge of globalisation has differed markedly from that of the United States. Europeans have focused on the relative impotence of individual states in the face of global challenges, and the imperative of cooperation. This imperative had its roots in Europe's own evolution to more cooperative arrangements that involved pooling of sovereignty. Coupled with this willingness to curb individual EU countries' freedom of action was increasing focus on universally binding norms and institutions. The US rejection of the Kyoto Climate Change Treaty crystallised a long-running dispute between Europe and the United States over a series of international agreements, ranging from the International Criminal Court and the Landmines Treaty to efforts to enhance verification of the Biological Weapons Protocol and to limit the spread of small arms.

The difference in perspectives on how to meet global challenges could be seen in the European response to the 11 September attacks. Although EU governments and publics wholeheartedly empathised with the United States, they put considerable emphasis on the importance of collective action to address the threat (as evidenced by support for actions at the UN and in NATO), and grew increasingly wary of what was perceived to be the unilateral US response.

The divergence was compounded by a perception that the United States was relying primarily on a military strategy to defeat terrorism, rather than focusing on political, diplomatic and economic measures.

Europeans believed that the United States was failing to address terrorism's underlying causes, including lack of political and economic opportunity in the Muslim world, and most importantly, the US failure to play a more assertive role in addressing the conflict between Israel and the Palestinians. Europeans welcomed the formation of the Quartet, which gave both the EU and the UN (along with the US and Russia) a more formal role in the Middle East peace process, but the US refusal to challenge the Sharon government remained a source of serious division, even with key US allies such as the United Kingdom.

For some observers, the United States and Europe may have come to a real parting of the ways, both in their diagnosis of the nature of the challenges facing them and in their prescriptions. This view was articulated in its most stark form by Robert Kagan, in his article 'Power and Weakness', but has been echoed in various ways by others.[5] For Kagan, Europeans' mistrust of power and excessive faith in the rule of law and consensus has opened an unbridgeable strategic gap with the United States, and rendered Europe incapable of effectively addressing the Hobbesian challenges of terror and rogue states.

This pessimism is flawed, for two key reasons. First, in age of globalisation, most Americans recognise that even with the United States' great military and economic dominance, we cannot secure our key national objectives without the support of others. Second, most Europeans understand and accept that the rule of law and international institutions alone are insufficient to meet many of the most pressing global challenges, and that despite the strengthening of the EU, they continue to value the United States as a partner. The confluence of these two factors provides a fresh basis for reaching a new transatlantic understanding on the core political and economic issues facing us, despite the tensions that seem so overwhelming today.

Yet, to achieve this goal, the United States and Europe must meet two key tests. In the security realm, their joint challenge is to identify core elements of a common vision of threats and opportunities, and strengthen the means of cooperation to address common goals. In the broader political and economic sphere, the United States and Europe must together lead the effort to build the structures of international governance that are necessary to address the transnational challenges of the twenty-first century. The remainder of this essay assesses these two challenges.

Rebuilding security cooperation for the twenty-first century

The basis for security cooperation between the United States and Europe during the Cold War was self-evident. Partners on both sides of the Atlantic, in virtually all mainstream parties, agreed that the Soviet Union

represented a threat to the security and way of life of the peoples of Western democracies. Equally important, both the United States and Europe agreed on the core strategy of containment to the address the threat.[6] There were, of course, important disagreements about the best way to implement the strategy.[7] There were also important disputes about roles and responsibilities, ranging from the debates about appropriate transatlantic sharing of military burdens, to France's withdrawal from the unified military command, to controversies over strategies for assuring strategic nuclear coupling. These disputes reflected a tension between the US leadership role, given its preponderance of military and economic capability, and the European need to preserve a capacity for independent judgment.

But there was an agreed institutional framework – NATO – for addressing these difficulties, which facilitated cooperation both on articulating the strategy and on implementing the necessary political measures. NATO provided at least the *de jure* element of equality through the consensus rule and the European NATO Secretary General, while reflecting the US dominance in command structures led by an American SACEUR. Transatlantic harmony was further facilitated by insulating security cooperation to the European theatre – differences over 'out of area' problems, ranging from Vietnam to the Middle East to the Contra War in Central America may have divided European governments and the United States, but had little spillover effect within NATO itself.

These two elements – an agreed challenge and an agreed mechanism for addressing the challenge – both came under pressure with fall of the Berlin Wall. The debate over mission has been both functional and geographical. First, should NATO remain primarily a military alliance, focusing on facilitating joint military operations to address military threats? Or should it expand its role to include political challenges such as fostering democracy and market economics, and meeting challenges to security (such as terrorism, drug-trafficking and WMD proliferation) that do not rely primarily on the use of military force?

The second question was whether NATO should 'go global' in its military dimension, to address out-of-area problems that may have an indirect impact on the security of NATO's members but do not necessarily represent an Article 5 attack on the members' territory?[8] The out-of-area debate began with NATO's uncertain engagement in the Balkans in the early 1990s, and accelerated through questions of NATO's role in Afghanistan and a possible role in enforcing Security Council Resolutions concerning Iraq in 2001–02.

Closely linked to the debate over mission was one about whether NATO was the right institution for security cooperation to address these

new missions. Some advocated retaining NATO's focus on the historical mission of protecting members against direct attack, while revising old institutions or establishing new ones to deal with the new threats. The evolution of the Conference on Security and Cooperation in Europe (CSCE) into the more institutionalised Organisation for Security and Cooperation in Europe (OSCE) was one such response, which had as its principal attraction that fact that Russia, the other members of the former Soviet Union and the Warsaw Pact countries were all members. Since these new challenges did not distinguish between East and West, a more inclusive approach had appeal. A second response was the drive toward strengthening the EU's own cooperation in security matters, through the Common Foreign and Security Policy (CFSP) and the European Security and Defence Identity (ESDI). Deeper European cooperation was in part a natural complement to Europe's deepening political and economic integration, but it was also impelled by the search for forums to address non-military security threats. This in turn posed the question of how to coordinate EU mechanisms with the United States, a process that played out both in political channels (the creation of the US–EU dialogues, beginning with the Transatlantic Declaration in 1990 and further institutionalised in the 1995 Madrid Transatlantic Declaration)[9] and military channels (the 'Berlin plus' process for linking NATO and emerging EU military capabilities).

Thus, the question facing the United States and Europe in the security realm is whether these post-Cold War innovations can replicate Cold War NATO's success: an agreed set of challenges and an agreed mechanism for addressing them together. The answer to both is a qualified yes, that common interests are sufficiently strong to make the prospect of security cooperation promising. However, the internal changes in Europe and the United States, the disparity in the strengths of each and the changing nature of international relations will require that security cooperation be more complex and multidimensional than it was during the Cold War.

Common goals and common interests

On both an objective and a subjective level, there are strong reasons to believe that the security challenges facing the United States and Europe are more shared than divergent, because most stem from global trends that affect us all.

The most dramatic case is terrorism. The threat from terrorist organisations such as al-Qaeda to Europe is not identical to the one facing the United States. The United States, as the self-proclaimed and widely regarded champion of Western values, as well as the sole superpower, with a far more dominant presence in the Arab and Islamic world, is a more attractive target for terrorists. But such events as the attack on the

French tanker in the Persian Gulf and French workers in Pakistan, the October 2002 bombing of a Bali discotheque, as well as pronouncements from al-Qaeda leaders themselves, make clear that Europe and other Western democracies are also threatened. Moreover, the global network of the terrorist organisations puts their activities at heart of Western societies, and utilises the tools of modern Western society – financial institutions, the Internet, global transportation networks – to carry out their work.

Closely related is our common interest in halting the spread of weapons of mass destruction. This is most clear in the case of possible terrorist acquisition of WMD. It also applies to proliferation among states, both because these states might intentionally or unintentionally provide WMD capability to terrorists, and because the spread of WMD threatens to turn regional conflicts into wars that could have global consequences.

This commonality of threats is clearly perceived by publics on both sides of the Atlantic. A recent German Marshall Fund–Chicago Council on Foreign Relations poll published shortly before the Iraq crisis heated up in summer 2002 showed that Europeans and Americans 'have common views of threats and the distribution of power in the world'.[10] Specifically, the poll found that both Europeans and Americans placed international terrorism and Iraq developing weapons of mass destruction at the top of their list of perceived threats, with the threat of Islamic fundamentalism not far behind. As late as December 2002, a substantial majority of the publics in Germany (82%), France (67%) and the UK (86%) viewed Saddam Hussein as a 'great' or 'moderate' threat and believed he should be removed rather than disarmed.[11]

A commonality of threats is clearly perceived by publics

There are other important, shared security interests as well. The transformation of Russia into a stable, cooperative member of the international community is a priority for both the United States and Europe. The reasons include reducing the risk that dangerous Soviet-era WMD materials will fall into the wrong hands, preventing the spread of conflict along Russia's periphery, which could destabilise neighbouring countries and provide havens for terrorists, and assuring that Russia does not adopt revanchist ambitions as its economy and society begin to recover from the Soviet and post-Soviet meltdown. The United States and Europe also have an interest in promoting a stable, democratic and law-abiding Ukraine, which otherwise risks becoming an important source of WMD technology and material transfers and a haven for international criminal organisations. In the Caucasus and Central Asia, we

share a stake in promoting political and economic transformation and integrating these states into larger communities, like the OSCE, Partnership for Peace and the Euro-Atlantic Partnership Council, lest this region become a haven for, and source of terrorism and instability.

Similarly, we both have a stake in completing the integration of the Balkans, not only to prevent regional conflict re-igniting, but also to deprive terrorists and international criminals of a foothold. Finally, both Europe and the US have a stake in the successful emergence of a secular, democratic and prosperous Turkey, as a model for other countries in the Islamic world and as a bulwark against the spread of anti-Western Islamic militancy.

This does not mean that there are no differences between American and European security interests, actual and perceived. Although security challenges are increasingly global in character, geography has not entirely lost its relevance. US security interests in East Asia, including treaty alliances with Japan and Korea, and a strong historical connection to Taiwan, mean that the United States will have a greater stake than Europe in managing the complex transition in East Asia involving the growing strength of China and the likely unification of the Koreas.[12] It is noteworthy that in the Chicago Council–German Marshall Fund poll, 56% of Americans said that the 'development of China as world power' was a critical issue, as against only 18% of Europeans.

Similarly, while the United States and Europe are both committed to supporting a secular, democratic Turkey, there have been tensions between the United States and Europe over the speed of Turkey's acceptance as a candidate for membership in the EU. European concerns about Turkish immigration, its adherence to European standards on human rights and the impact of Turkey's membership on the functioning of EU institutions have led to consideraable caution. Washington, on the other hand, sees Turkey's EU membership as a carrot for greater Turkish cooperation on issues of importance to the United States, including Cyprus and the Middle East.

An important source of tensions is the Middle East, where for at least the past thirty years the United States has played the dominant role. US perspectives have been shaped above all by the security partnership with Israel; at the same time, historical ties buttressed by new links through immigration have given several European states a keen interest and distinctive perspective on the region in general and on the Arab–Israeli peace process in particular. On the whole, these European governments have been more sympathetic than Washington to the positions of Arab governments and the Palestinians.[13] These transatlantic differences are also reflected in public opinion.[14]

Yet even in the Middle East, the transatlantic allies share important interests. These include a powerful interest in assuring stable, affordable

supplies of energy from the region, and a common stake in the economic and political reforms that are needed to reduce the region's role as an importer of WMD and an exporter of terror. While European concerns about Arab emigration, particularly from the Mahgreb, are more immediate than the American concerns, both have an interest in providing economic opportunities to ease the pressure of burgeoning populations.

At least in principle, then, it seems clear that the range of common security interests is broad enough to warrant a serious effort at transatlantic cooperation. But to achieve cooperation in practice, the two sides must have effective means of working together. And there are several barriers that stand in the way of making security cooperation work at an operational level. The first is the absence of agreed, effective mechanisms for reaching common decisions about what to do. Second, and closely related, are differing assessments of the efficacy of various tools and strategies to meet common threats. The third is a gap in capabilities, which can inhibit cooperation even when both the goals and the strategies are agreed.

The mechanism: a new NATO or a new approach?

The debate over the mechanism of cooperation has centred around whether NATO, suitably adapted, should continue to be the favoured forum or whether new approaches are necessary, to reflect changes within Europe and the world.

Those who favour retaining NATO as the key institution of cooperation focus on five arguments. First, they point to the long history of NATO not simply as a place to discuss anti-Soviet military cooperation, but as the preferred forum for consultation among democratic governments on a range of political challenges. Second, they note that it is a forum where all members come together as independent and equal states, with no internal 'caucus' that excludes some from policy deliberation. Third, they argue that the expansion of NATO, along with close ties with Russia and other non-member states means that all the key actors are present within the institution broadly defined. Fourth, they assert that while the political dimensions of security challenges may be growing in importance, military cooperation will continue to be essential in meeting many of these new challenges, as the conflict in Afghanistan and war with Iraq (not to mention lesser contingencies, like Sierra Leone or the Ivory Coast) make clear. Only NATO has the kinds of mechanisms – including command structures, common operating principles and shared assets – that can make on-the-ground military cooperation effective. Finally, they note that NATO has been the predicate for US on-going

involvement in European security affairs and that diminishing NATO's role as the preferred forum for US–European security cooperation will inevitably lead to US disengagement from Europe.

Those who argue for a new approach see the flip side to each of those arguments. First, they note that NATO has played a limited role in non-European security issues, particularly those with a political dimension. Second, they argue that the evolution of the EU – in particular, its efforts to develop common foreign, security and defence policies – requires the EU member states increasingly to develop common positions among themselves. A larger forum of 19 (and rather soon, 26) member states not only fails to reflect this EU evolution, but tends to undermine European integration in the security realm. Third, they argue that the expansion of NATO and its ancillary bodies dilute the core US–European cooperation through the involvement of peripheral countries, such as states in the Caucasus and Central Asia, that share neither our values nor our interests. On the question of military effectiveness, they point to the lengthy and ultimately successful discussions that arrived at a blueprint – the so-called 'Berlin Plus' arrangements – for assuring that military cooperation can take place across the NATO–EU boundary. Finally, they insist that new US–EU links can provide an alternative basis for US engagement in Europe.

There is no unambiguously right conclusion to this debate. But the weight of argument would appear to favour retaining a core role for NATO, suitably rebalanced to meet the new missions and the new political realities of European integration. The agreements reached at the Prague Summit indicate a recognition on both sides of the Atlantic of the continuing importance of transatlantic security cooperation, based on the participation of each sovereign government, not two blocs (the European Union and United States). This perspective is reinforced by the largely overlapping processes of NATO and EU enlargement.[15] Moreover, most new EU members are more 'transatlantic' in orientation than many of the older members.

So long as the security dimension of the EU remains intergovernmental and largely based on consensus rather than majority voting, there is no deep tension between the NATO format and the EU's own processes. Moreover, the established military dimensions of cooperation would be difficult to replicate without NATO. Conversely, a diminished reliance on NATO as an institution, particularly in dealing with global security challenges, would push the United States more and more toward the strategy of 'coalitions of the willing', diminishing Europe's influence and enhancing the chances that the United States and Europe would take divergent approaches, to the detriment of both.

Other transatlantic institutions can supplement the role of NATO in the security sphere. The evolution of NATO has reduced the importance of the OSCE as an inclusive forum for resolving political and security questions. The OSCE can play a helpful role, however, in continuing to develop norms on human rights and the rule of law and monitoring states' performance, and may offer an alternative 'chapeau' for sending in unarmed or lightly armed security forces as an element of post-conflict stabilisation (particularly in the states of the former Soviet Union) when 'military' forces are unnecessary and perhaps inappropriate.

Unilateralism, multilateralism and international institutions

Even if there is agreement in principle on the need for cooperation and the mechanism to pursue it, are differences in worldview becoming so wide that cooperation will remain difficult in practice? This is the argument of Kagan. But the German Marshall Fund(GMF)–Chicago Council poll strongly suggests that this is an exaggerated and rather inaccurate picture of public attitudes both in the United States and in Europe. Contrary to Kagan's argument, the poll shows that '[b]oth sides strongly support a multilateral approach to international problems and the strengthening of multilateral institutions'. Even after the debacle at the UN in March 2003, an identical number of Americans (54%), Britons (54%) and French (55%) said that the UN was 'still important', and most Americans (54%) wanted a UN Security Council resolution and more international support before going to war.[16] Conversely, in the GMF Poll mentioned previously, majorities on both sides show a strong readiness to use military force for a broad range of purposes, and support NATO and its expansion.' Large majorities of Europeans as well as Americans favoured the use of force against terrorist training camps and facilities, and to uphold international law.

At the same time, substantial majorities on both sides of the Atlantic (84% in Europe, 66% in the United States) say that economic strength is more important than military strength in determining a country's overall power and influence in the world. An overwhelming number of both American (77%) and Europeans (75%) say the United Nations needs to be strengthened. The poll suggests that Europeans and Americans are from *both* Venus and Mars.

To be sure, recent events concerning Iraq raise questions about future US attitudes toward the role of the UN and formal alliances such as NATO. On the one hand, the Bush administration's decision to resort to the UN in September 2002 reflected recognition that the US was more likely to gain international support for its objectives by seeking to use multilateral mechanisms. But the acrimonious collapse of those efforts has

strengthened the hand of those in the administration who see the UN as feckless at best and a dangerous trap at worst. Similarly, the divisive NATO debate about NATO involvement in the run up to the war in Iraq has dashed (at least for the time) hopes raised by the Prague Summit that NATO could play a role in out-of-area contingencies, and reinforce the administration's proclivity to rely on coalitions of the willing.

The capabilities gap

A third potential barrier to security cooperation is the growing divergence in military capabilities between the United States and Europe. The argument by now is a familiar one, and concerns growing divergences between the United States and Europe on overall levels of defence spending, exacerbated by particularly acute gaps in high technology, mobility and readiness. As a result, proponents of this thesis argue that even if the United States and Europe agree on the need to use force, they will be unable to work together. Some go on to argue that the very fact of Europe's relative military weakness will lead it to favour diplomacy over force, thus exacerbating policy differences with the United States. From the US perspective, those who worry about the gap contend that European weaknesses will make Europe a less valuable partner, leaving the United States free to ignore European views, and to develop closer relationship with more strategically relevant partners, such as Russia and the states of Central Asia.

These concerns, while real, seem seriously overstated. Most military operations do not require 'high end' forces at all – recent interventions of British forces in Sierra Leone and French forces in the Ivory Coast are but two recent examples. Even in high-end contingencies, not all central military roles require the most technologically sophisticated forces – consider the role of the Northern Alliance in the Afghanistan conflict. In more challenging military circumstances, at least some elements of the European forces are capable of operating effectively with the United States, as has been the case with Special Operations Forces in Afghanistan and naval forces in the Persian Gulf and off the coast of Africa. Finally, key deficiencies in European forces – lack of mobility, scarcity of precision-guided munitions – can be rectified without dramatic increases in European defence budgets. Greater US willingness to transfer technology to allies could also help in reducing the magnitude of the capabilities gap. Thus this issue by itself need not be a serious barrier to US–European security cooperation.

Most military operations do not require 'high end' forces at all

The preceding discussion goes a long way toward demonstrating that the United States and Europe have considerable potential to pursue common security interests well into the next century. But to achieve this promise, it will not be enough to rely on an invisible hand. Several key steps must be taken to make this potential a reality. First, it is critical to avoid the trap of 'division of labour' in the security realm. Despite the US strong lead in military capabilities, and a greater European willingness to engage in 'nation-building',[17] an arrangement where 'the United States does the cooking and Europe the washing-up' could be devastating for the prospects of future cooperation. Put broadly, a sharp division of labour will almost inevitably lead to diverging perceptions of how to manage crises in the future. If the United States abjures responsibility for managing the results of using force, then the United States will almost inevitably underestimate the costs and consequences of the military option. Conversely, if Europe fails to share in the military and political burdens associated with the use of force, European voices will be given little consideration by US policymakers, and Europeans will tend to downplay the efficacy of force as an option.

Second, and closely related to avoiding division of labour as a matter of policy, is the crucial necessity for Europe to develop at least some 'high-end' military capabilities to allow European forces to operate effectively with the United States. The specific commitments from European member states to fill shortfalls, offered at the Prague Summit, were a step in the right direction; as with past commitments, however, it remains to be seen whether the reality will follow the promise.[18]

Third, and the flip side of Europe's developing high-end capabilities, is the need for both the United States and Europe to enhance their ability to contribute to peacekeeping and post-conflict stabilisation and reconstruction. This includes training and equipping conventional military forces for these roles and, perhaps more importantly, the development of specialised capabilities (including paramilitary capabilities such as the Italian carabinieri and France's gendarmarie) to meet the unique security depends these missions entail.[19]

Fourth is the importance of preserving consensus at the heart of alliance decision-making. Some have argued that with the expansion of NATO, the time has come to reconsider the consensus rule. Proponents argue that with 26 members, consensus will become gridlock, hobbling NATO's ability to react in a timely and effective way to new challenges. But the cost of substantial departure from consensus is likely to be even more devastating to NATO's relevance. Political solidarity as much as military muscle has been the key to NATO's success, from the Cold War to the conflict in Kosovo. In practice, NATO has always been able to

develop means to allow the most powerful states to play a proportionately influential role – for example, the role of the 'quint' during the Kosovo War – and to prevent dissenters from paralysing NATO action. One way to increase efficiency without destroying consensus would be to strengthen the role of the Secretary General in managing the internal and administrative affairs of the alliance, while reserving policy for the members.

Fifth is the need to make further progress on linking and deconflicting NATO and EU military capabilities. The long run from the 1996 Berlin Ministerial meeting has been cluttered with the political and operational minefields associated with fostering the EU's ability to provide effective military forces, without unnecessarily duplicating NATO capabilities or creating transatlantic ruptures. With the apparent resolution of the Greece–Turkey blockage on the so-called 'Berlin plus' arrangements that allow the EU to use NATO assets when NATO as a whole is not involved,[20] it is possible to move forward. A key test will be to develop the proposed NATO Response Force (endorsed at Prague) as a complement to the EU Headline Goal. This also means strengthening the political linkages between the EU institutions of ESDP and NATO.

Sixth is the need for enhanced transatlantic defence industrial cooperation. This has been a longstanding goal at NATO, repeatedly stymied by domestic politics and the dramatically larger US market for high-end military equipment. But more can be done, particularly in the area of technology transfer. Despite the real and growing concerns about leakage of highly sensitive technology to dangerous states and terrorists, efforts such as the Clinton administration's Defence Trade Security Initiative, which relaxed restrictions on technology transfer to European allies, can help build transatlantic cooperation while providing necessary security.[21]

Given the changing nature of our security threats, defence-industrial cooperation should not be limited to traditional military acquisition. In the United States, a major push is underway to harness our scientific and engineering community to develop new technologies and apply old ones to the protection of the homeland. This too is a promising opportunity for transatlantic cooperation, although similar problems of security and technology transfer will need to be addressed if the collaboration is to be fruitful.[22]

Building the infrastructure of global governance

In the emerging global politics, many of the key risks and opportunities lie outside the realm of security, even broadly defined. For the non-security realm as well, the consequences of globalisation make international cooperation imperative, and in many areas the common US–European interests are even more profound.

Both the United States and Europe are among the principal beneficiaries of the dramatic increase in speed and volume of movement in people, goods, services and ideas. Trade has become an increasingly important component of our economic growth, and a major factor in productivity increases. Immigration, particularly in the United States, has played a significant role in our recent economic strength. The demographic gains help offset trends toward an aging population, easing the strains of future taxpayers and providing a more sustainable base for pensions. Both the United States and Europe depend heavily on inward and outward capital flows, and the rapid exchange of ideas is not only fuelling innovation, but also helping to propagate our values around the world.

But the benefits of globalisation are not fully shared, either within our own societies, or around the world – where the disparities are far more dramatic. Inequalities within our societies have hit some segments of our populations hard (including workers in manufacturing centres whose jobs have moved to less developed countries and, in Europe, immigrant populations, particularly from the Arab and Islamic world). Domestic instability, crime and political alienation are among the consequences. Abroad, some developing countries, notably China and more recently India, have begun to tap into globalisation to spur growth, but those outside the global web have fallen further and further behind. Even within successfully globalising developing countries, internal divides seriously threaten social stability.

Those outside the global web have fallen further and further behind

The tensions that grow out of these disparities in sharing the benefits of globalisation have serious, shared consequences for the United States and Europe. At home, a backlash against globalisation can lead to policies, such as protectionism and anti-immigrant movements, that threaten our ability to sustain the growth that globalisation fosters. Abroad, the failure of many to reap the benefits of globalisation undermines efforts to gain broad international support to extend and sustain an open trade and investment system. It fosters instability in countries left behind, contributing to conflict, the spread of infectious disease and environmental harm, and criminal activity. It breeds deep resentments against the 'haves' and their system, which can foster terrorism and the desire to acquire dangerous weaponry to offset the power of the West.

For this reason, the United States and Europe share a common strategic as well as a humanitarian interest in addressing this global challenge. In part the answer is a fairer global economic system (to be discussed below). But perhaps even more important is the need to help developing countries tap into the global systems of intellectual and

material interchange. This means effective strategies of development assistance to help build strong governance, vibrant civil societies and healthy, educated populations in countries that lack them today.

Despite the shared interest in achieving these objectives, transatlantic cooperation in this area is limited at best. The United States and Europe are of course key actors in the principal global development organisations, such as the World Bank, regional development banks, the IMF and UN bodies, as well as global efforts such as the 2002 International Conference on Financing for Development summit in Monterrey, Mexico. Through the G-7, the United States and Europe play an important policy-setting role, leading to initiatives such as the debt-relief programme for heavily indebted poor countries (HIPC). But to date, there have been limited and only sporadically effective efforts to coordinate bilateral assistance. The Bush administration's recent decision to launch the $5 billion Millennium Challenge Account as a bilateral programme with its own criteria, essentially independent from the efforts or objectives of multilateral development organisations, reflects the failure to see this problem as one that requires more, rather than less coordination with key other donors.

Thus, one future pillar for transatlantic cooperation is to strengthen US–European coordination to address this unmet challenge.[23] In many cases, of course, the best means of carrying out joint strategies will be through multilateral organisations, such as the Development Assistance Committee of the OECD, the G-8 and the UN institutions, not only because there are other important donors (notably Japan) but also because the multilateral organisations can give voice to the interests and perspectives of the developing countries themselves, enhancing both the effectiveness and legitimacy of the aid efforts. But without the concerted efforts of the United States and Europe, the overall effort will be fragmented, under funded and thus of limited effectiveness.

Strengthening the global economic infrastructure

The ability of the United States and Europe to continue to reap the benefits of globalisation depends on the robust flow of trade and investment. As the Asian financial crisis of 1997–98 threatened developing markets around the world, and caused anxiety in developed countries, it became increasingly clear that the institutions and rules governing global commerce were inadequately adapted to the speed and volume of today's financial markets. Although there have been some efforts to address the issues raised by the crisis – for example, new capital adequacy standards, discussions of new workout or quasi-bankruptcy

procedures for distressed developing countries – considerable complacency has set in and the possibility of future shocks remains substantial.[24]

Following the 1997–98 financial crisis, the world economic system sustained a second, political shock in 1999 with the World Trade Organisation summit in Seattle. The failure to reach agreement exposed deep underlying tensions in the world trade system, both between developed and developing countries, and within developed countries. Part of the problem was substantive – disagreements about whether trade agreements were unfairly skewed against developing countries, creating obligations which strained the fabric of developing societies without corresponding concessions from developed countries on key issues such as agriculture, textiles and intellectual property. But there were important institutional issues as well – lack of transparency, inability of developing countries to participate meaningfully because of cost and lack of expertise, inadequate opportunities for other concerned parties (such as environmental and consumer groups) to participate. Although substantive progress was made at the November 2001 WTO summit in Doha, Qatar, to launch a new round, these underlying issues remain very much unresolved.

More broadly, the globalisation of commerce, and in particular, the growing importance of transnational services has challenged the capacity of the international system to provide an adequate predictable regulatory framework to facilitate these vital flows. This lack of agreed frameworks has had a particularly pernicious impact on US–European relations. On issues ranging from competition policy to privacy regulation, to rules for emerging sectors such as biotechnology, incompatible and sometimes conflicting approaches have had serious economic consequences for both partners, and have generated deep political friction. The conflict has been especially acute because this is an area where the EU most clearly acts as a single entity under powers granted to the Commission.

Over the years, a number of efforts have been made to address these difficulties. The 1995 Transatlantic Declaration committed the US and EU to 'strengthen the multilateral trading system', to create a 'New Transatlantic Marketplace' by 'progressively reducing or eliminating the barriers that hinder the flow of goods, services and capital' across the Atlantic, and to strengthen regulatory cooperation. The New Transatlantic Agenda led to the formation of the Transatlantic Business Dialogue, which in turn helped spur the valuable 1998 US–EU Mutual Recognition Agreements eliminating duplicative testing and certification processes in a number of key sectors.[25] This in turn led to the 1998 Transatlantic Economic Partnership covering both bilateral and multilateral trade and investment issues, including regulatory issues. These various initiatives have spawned a whole series

of bilateral meetings on both the government-to-government[26] and the private sector level (the Business Dialogue has a companion in the Transatlantic Consumer Dialogue).

These efforts have an ameliorative effect, but the lack of high-level commitment to policy coordination remains apparent, as in the cases of steel, biotechnology and agricultural subsidies. Good personal and working relations between the US Trade Representative Robert Zoellick and EU Trade Commissioner Pascal Lamy have helped mitigate the potential long-term harm from these disputes, but that is no substitute for a more institutionalised, enduring effort that depends less on personalities. Frequent resort to the WTO dispute resolution mechanisms has not only failed to depoliticise trade differences, but, in some cases, has actually exacerbated the conflict. This has led some commentators to call for a moratorium on new transatlantic WTO cases and a greater recourse to political dialogue.[27] Collaborative efforts, such as the 'safe harbour' agreement that defused a potential US–EU conflict over information privacy requirements, demonstrate the range of the possible when the two sides engage at a high level to resolve differences.[28] More generally, deepened collaboration among regulators on both sides of the Atlantic can lead to common solutions to transnational issues without the need for supranational institutions.[29]

Nearly identical percentages of Americans and Europeans describe global warming as 'critically important'

Sustaining the global ecosystem

In recent years, few subjects have caused as much contention in the transatlantic relationship as disputes over environmental policy. Even before the Bush administration announced that the Kyoto Protocol was 'dead', controversies over key provisions of the agreement, such as emissions trading and credit for carbon sinks (for example, forests) stymied progress at successive conferences. Moreover, deep opposition in the United States Senate made the prospect of US ratification unlikely at best without significant modification of the agreement with respect to the level of reductions and the obligations of developing countries.

The Kyoto controversy is but one of many transatlantic environmental disputes, ranging from controversies over biodiversity, to the environmental consequences of genetically modified organisms, to the broader question of the role of the 'precautionary principle' and the argued need for a multilateral environmental organisation to complement

the World Trade Organisation. Yet despite deep differences between governments, popular sentiment again seems much closer than assumed by conventional wisdom. In the Chicago Council–GMF poll, nearly identical percentages of Americans (49%) and Europeans (46%) describe global warming as 'extremely important' or critical. Although a clear majority of Europeans oppose the use of biotechnology in agriculture and food production (by 62% to 33%), American anxieties are much higher than commonly supposed (especially by Europeans). Only a small plurality of Americans (48–45%) support agricultural biotechnology, and a clear majority support the right of Europe to impose a labelling requirement.

Given the fundamental commonalities in European and American attitudes to environmental issues, more effective mechanisms are needed to coordinate policy approaches.[30] The first step is to try to achieve greater scientific consensus on the underlying issues. Such a consensus can be a powerful tool for policy coordination – for example, the international community was driven to take dramatic actions on CFCs in the Montreal Protocol once they were determined to be a clear source of ozone depletion. The efforts of the Intergovernmental Panel on Climate Change (IPCC) have also had an impact on the United States (at least in rhetoric; even the Bush administration has had to concede the role of human activities in global warming).[31]

Given the current standoff on key environmental issues, it is easy to be pessimistic about the prospects for transatlantic cooperation. No amount of consultation will bridge fundamental differences over policy. Yet, the objective realities of environmental risk inevitably will force both the United States and Europe to work more closely together – the main question is whether this will be sooner rather than later. In the end, global environmental problems can only be addressed through effective global action. But enhanced US–European cooperation is an essential precondition for the broader global efforts to succeed. European efforts, may, for example, help to bring about the coming into force of the Kyoto Protocol, but it will have marginal benefits if the United States stays outside. Conversely, continued US–European disputes can magnify international disagreements, as each side seeks to line up supporters in both the developing and developed world.

Combating terrorism and international crime

With the receding threat of interstate conflict among great powers, the challenges posed by non-state actors – terrorists, drug dealers, international criminal syndicates – pose the greatest near-term threat to our security. While NATO can and should play an important role in coordinating the military and some aspects of the diplomatic strategy to engage these threats,

the policy tools, and thus the range of actors involved suggest that mechanisms for transatlantic cooperation must extend beyond NATO.

The EU's own progress in deepening cooperation on the so-called 'third-pillar issues', related to justice and home affairs, offers an important opportunity to strengthen US–EU cooperation as well. On issues such as arrest warrants and evidentiary legal assistance, the prospect that Europe will adopt a common standard (as evidenced by the recent success toward harmonising trans-EU arrest warrants)[32] makes it more likely that the United States and EU can cooperate. Similarly, US–EU cooperation on money laundering (working through the G-7 and the Financial Action Task Force) has gradually led to widely accepted global standards to deal with terrorist and criminal finance.

The 11 September attacks have dramatically increased the pace and scale of US–EU cooperation on terrorism. Just one month after the attacks, an EU delegation representing the Presidency, the Commission, the European Council and key EU agencies met with a high-level US interagency group from the Justice Department, Treasury, the FBI, Secret Service and State Department to discuss counter-terrorism cooperation.[33] On 6 December 2001, Secretary Powell signed the EUROPOL–US agreement to foster further cooperation at a meeting with the EU's Justice and Home Affairs Council.[34]

There remain many barriers. In the case of terrorism, we have seen that the availability of the death penalty in the United States, and European unease at some of the investigatory tools used by the United States in the wake of the 11 September attacks have threatened to derail cooperation on highly visible cases. Information sharing is hobbled by European claims of lack of reciprocity, and US fears that valuable investigatory information will not be adequately protected. The new spirit of cooperation needs to be supplemented by NATO-like procedures for sharing and protecting classified information, and the EU-wide harmonisation efforts must be extended to transatlantic US-EU agreements on mutual legal assistance to supplement bilateral agreements with individual countries.

Strengthening the mechanisms of cooperation: internal EU reform and transatlantic arrangements

All the challenges discussed in this essay affect the world more broadly, and thus cannot be settled by the United States and Europe alone. But without our leadership, nothing can go forward. To translate the potential of the transatlantic relationship into a more positive reality will require two kinds of developments. First, the European Union itself must take further steps to institutionalise its own capacity to act in these areas. Second, the United States and Europe need to establish more formal, effective mechanisms for consultation and even decision-making.

The issue of Europe's capacity to act on the global stage is front and centre in Europe's own debates today. As German Foreign Minister Joschka Fischer has observed, Europe's task is 'a Union for the whole of Europe capable of global action'. There is little doubt that in the field of trade, the EU already possesses the capacity to act globally, and in the area of development assistance the EU has similarly established itself as a global player.

Foreign policy, and especially defence policy, remain the areas where the future of a 'European ' voice is most uncertain. The CSFP has certainly expanded its scope over the past half-decade to encompass global issues as well as regional ones. The EU member states have moved gradually, from the Petersburg WEU Council meeting in 1992 to the Helsinki Summit in 1999, to give the EU capacity for autonomous military action, and have developed new internal arrangements, beginning with the High Representative for CSFP and including a new Political and Security Committee and a Military Committee (with associated military staff). The active engagement of the High Representative in the Balkans and the Middle East (culminating in the representation of the EU, rather than individual European countries, in the Quartet) shows the potential for the emergence of the EU as an international actor in its own right. But the requirement for unanimity on important decisions and the desire of the member states to retain considerable autonomy in the area of foreign policy (as evidenced so vividly in the case of Iraq) has made progress slow, and reinforced the American sense that the real decision-making – and therefore the real locus of consultation, when it takes place – is with national governments individually.

The issues at stake in the current EU constitutional convention will have important ramifications for the future of transatlantic cooperation. For example, the rotating EU presidency has been a significant obstacle to sustained transatlantic cooperation. The existence of the Troika (made up of past, current and next holders of the presidency) and the ongoing participation of the Commission President in the biannual US–EU summits give some element of continuity to the transatlantic dialogue at the head of state/government level, but the reality is that each EU presidency country has its own priorities, and each bureaucracy its own interest in putting a national stamp on the outcomes. This problem can only get worse with EU enlargement – and the prospect of a succession of small countries (Latvia, Lithuania or Luxembourg, for example) holding the presidency could undermine efforts to get the US president to take these meetings seriously.

To the extent that the outcome of the Convention leads to the creation of a stronger executive (either by direct election or selected by the EU

countries who can at least shape the agenda, if not the policy outcomes, of the US–EU dialogue), there is greater opportunity for long-range coordination. Continuity in the executive can also provide greater follow-up, which has been the most visible failing of the many laudable US–EU initiatives to date.

Other decisions pending before the Convention can also have an impact on the prospect of transatlantic cooperation. One particular area of concern within Europe is the so-called democratic deficit in EU institutions. Over recent years, one response to this problem has been to strengthen the role of the European Parliament, and proposals before the Convention could go even further to enhance the parliament's role. But the American experience shows that a more active parliament can lead to new difficulties in achieving transatlantic cooperation, as is evident from the opposition in the US Senate to the Kyoto Treaty, for example. The European Parliament's resistance to the Commission's effort to defuse the transatlantic controversy over genetically modified organisms could be a harbinger of difficulties to come.

Over the last decade an elaborate mechanism has been developed to support the semi-annual US–EU summits.[35] But this approach suffers from many of the same problems afflicting a comparable summit exercise, the G-8. Under the best of circumstances, G-8 meetings offer an opportunity for leaders to highlight policy initiatives and priorities. But the summit process is ill-suited for the ongoing, long-term policy development and implementation that would be necessary to sustain a new, higher level of transatlantic cooperation.[36]

A more active European parliament can lead to new difficulties

Improving the dialogue at the head of state/government level is only the first step towards improving transatlantic cooperation. It is at the working levels where the details of policy coordination must be worked out. The establishment of the EU High Representative for CFSP has given an important additional point of contact, but continued confusion over the respective responsibilities of the High Representative and the Commissioner for External Affairs provides additional complication and confusion. Further complicating the picture is the role of the EU's Political Security Committee.[37] Both in the United States and Europe, the tendency is to sort out internal differences first (inter-agency in the case of the United States, inter-government in Europe) and only then engage with transatlantic counterparts, making accommodation of other's viewpoints difficult at best.

The NATO example suggests the need for more regularised structures for dialogue among transatlantic partners. Although the US Mission to the

EU has attempted to shoulder some of this burden, the mission is simply too removed from the centre of action in Washington to allow for effective dialogue with key decision-makers. Nor will it be sufficient for the State Department's European Bureau or, on the European side, the High Representative or the Commissioner for External Relations, to provide the sole channel for fostering cooperation. There is a need for ongoing transatlantic deliberative committees on priority policy issues that can function as the transatlantic equivalent of the interagency process. Joseph Nye has suggested harnessing the power of new telecommunications technology to allow regular, virtual meetings among key actors on both sides of the Atlantic, both before decisions are made and during implementation.[38] This approach could allow both the EU and representatives of the member countries to participate, reflecting the reality that on many of the key issues of concern, competence is and will remain shared between the EU and member states.

This does not mean that we will agree in every instance, or that our interests will always coincide. Debates over difficult issues such as climate change or genetically modified organisms or privacy are not simply questions of economics and science, but also touch on different values and histories. Our political perspectives have much in common, but are not identical. But without more structured efforts to address these types of issues, US–European conflict will grow, not because our interests differ that much, but because the lack of structures to coordinate our policies lead to divergence. Harmonising our approaches to these issues will be difficult, but failure to do so will be costly.

We also must be wary of deepening our collaboration in ways that appear to marginalise the rest of the world. A G-2 that appears to pursue our interests at the expense of others will not only fail to meet global challenges but also generate a backlash that could make the achievement of our objectives more difficult.[39] But the overriding danger remains too little transatlantic cooperation, not too much.

Conclusion: it's not too late

Has the bitter conflict over Iraq caused such deep acrimony so as to overwhelm the strong case for cooperation? There are two reasons for concern. First, if European leaders conclude that Europe must become a counterweight to the United States, rather than a partner, it will be difficult to engage in the kind of open search for common ground that an elective partnership requires. Second, there is a risk that post-Iraq public opinion in both Europe and the United States will make it difficult even for leaders who want to forge a new relationship to make the necessary accommodations.

But whether Iraq is a turning point is not foreordained. Most European leaders opposed the efforts of President Jacques Chirac to define the conflict as one centring on US unilateralism, rather than Saddam Hussein's defiance of the international community. If the Bush administration now actively works to heal the breach (for example, by involving NATO in the post-war stabilisation effort and cooperating with the EU on reconstruction), rather than focusing on punishing and isolating those who opposed the US, a new opportunity can be created. On the European side, especially in France and Germany, there is an equal need to recognise Europe's interest in a successful outcome in Iraq, rather than standing aloof because they opposed the war in the first place.

As for the publics, there is also reason for cautious optimism, particularly if US and European officials show leadership rather than catering to the raw public sentiment of the moment. Just before differences over Iraq captured the public mood, citizens on both sides of the Atlantic believed that we still matter to each other. In the German Marshall Fund/ Chicago Council poll, 58% of Americans said that Europe was more important to the US than Asia, up from 42% in 1998. Europeans, in turn showed continued warm feelings toward the United States.[40] Sixty-four percent of Europeans support a strong US leadership role in world affairs. The Iraq war clearly has had a sharply chilling effect on transatlantic publics' regard for one another.[41] Whether the previous sense of solidarity can be restored in the future will depend on the policies that governments on both sides adopt in the crucial months to come.[42] A vibrant transatlantic partnership remains a real possibility, but only if both sides make the necessary political commitment. It is elective, not inevitable; but we will all be the better off if we seize the opportunity.

Notes

1 Secretary Powell: 'I'm very disappointed that France has played, frankly, a somewhat unhelpful role in keeping the pressure on Saddam Hussein. Saddam Hussein could always see that there was at least one nation, there were others, as well, who were signaling veto of anything that might put maximum force on him. And unfortunately, it's a continuing pattern from 1998'. http://www.state.gov/secretary/rm/2003/18755.htm. See also the statement of British Foreign Secretary, Jack Straw, 'Sadly, one country then ensured that the Security Council could not act. President Chirac's unequivocal announcement last Monday that France would veto a second Resolution containing this or any ultimatum, "whatever the circumstances", inevitably created a sense of paralysis into our negotiations. I deeply regret that France has put Security Council consensus beyond reach.' http://www.number-10.gov.uk/output/page3289.asp.

2 From the Suez crisis in the 1950s, the balance of payments disputes and France's withdrawal from NATO's unified military command in the 1960s; the conflict over burden sharing and Vietnam in the 1970s, to the INF debates, SDI and anxieties about decoupling in the 1980s and trade friction in the 1990s, the Alliance has been declared critically ill, and calls have gone forth for the establishment of a new transatlantic bargain. See, for example, James B. Steinberg, 'The Case for a New Partnership', in Nanette Gantz and John Roper (eds.) *Towards a New Partnership: US-European Relations in the Post-Cold Era*, The Institute for Security Studies, The Western European Union, Paris, 1993, pp. 105–121.

3 Nonetheless, the US–EU trade relationship remains the largest 'bilateral' trade relationship in the world. Total transatlantic investment is around $1.4 trillion. In 1999, over 45% of US foreign direct investment (FDI) went to the EU (representing over 56% of total FDI in Europe) while EU FDI in the US represented 60.5% of total FDI in the US. The United States accounts for 24.1% of the EU's total exports and 20.5% of the EU's total imports. See 'Bilateral Trade Relations', http://europa.eu.int/comm/external_relations/us/intro.

4 See 'Address to a Joint Session of Congress and the American People', 20 September 2001, http://www.whitehouse.gov/news/releases/2001/09/20010920-8.html

5 Kagan, 'Power and Weakness'. Charles Kupchan, *The End of the American Era* (New York: Alfred A. Knopf, 2002), pp. 153: 'It is too soon to tell whether Washington and Brussels will head down the same road as Rome and Constantinople – toward geopolitical rivalry – but the warning signs are certainly present.'). See also Samuel Huntington, 'The Lonely Superpower', *Foreign Affairs*, March–April 1999; Stephen Walt, 'The Ties that Fray', *National Interest*, Winter 1998–9. For an example of a more optimistic view, see Joseph S. Nye, Jr. 'The United States and Europe: Continental Drift?' *International Affairs*, January 2000, pp. 51–59; as well as the Report of the Council of Foreign Relations Independent Task Force, *The Future of Transatlantic Relations* (New York: Council on Foreign Relations, 1999).

6 This was not inevitable; debates about containment versus rollback might have posed a more serious challenge to transatlantic consensus, and elements of the European left advocated a more accomodationist

posture. But for the most part, the containment paradigm was largely accepted.

7   Several examples are the INF and SDI debates, European interest in 'defensive defence' and Ostpolitik, as well as the US push to strengthen conventional forces in Europe.

8   Ronald D. Asmus et al. 'Can NATO Survive?', *Washington Quarterly*, Spring 1996, pp. 79, 92–93.

9   The Transatlantic Declaration established the principles for greater EU–US cooperation and consultation in the fields of economics (e.g. liberalisation, OECD, competition policy), education, science and culture, and transnational challenges. It also set up the first formal machinery for US–EU political dialogue, consisting of biannual summits and ministerial meetings, to supplement the previous informal dialogue with the European Political Cooperation (PoCo) process.

10 Chicago Council on Foreign Relations and the German Marshall Fund of the United States, *Worldviews 2002: Comparing American & European Public Opinion on Foreign Policy*, p. 5.

11 Pew Research Center for People and the Press, *What the World Thinks in 2002. How Global Publics View: Their Lives, Their Countries, The World, America*, 4 December 2002, http://people-press.org/reports/display.php3?ReportID=165 hereafter Pew December 2002.

12 North Korea is an interesting intersection of the global and regional dimensions of security. Although the United States is more deeply engaged in managing the overall security situation on the peninsula, Europeans have taken a keen interest in addressing the North Korean nuclear problem, which Europeans see as an element of trying to maintain the global norms of non-proliferation under the Nuclear Non-Proliferation Treaty. Some Europeans (especially France) have taken a tougher position on North Korea's non-compliance with the NPT than has the United States. And when the United States appeared to reject the idea of dialogue with the DPRK, the EU, in an unprecedented step, sent a mission of its own to Pyongyang in the spring of 2001.

13 Generalisations are always perilous. Germany, for example, has also had particularly close ties to Israel, although even in Germany in recent months, there has been growing discomfort with the US position.

14 The Chicago Council–GMF poll shows that Americans are much more concerned about military conflict between Israel and its Arab neighbours (67% in the United States consider it critical, compared with 42% in Europe). Seventy-two percent of Europeans favour a Palestinian state, while only 40% of Americans hold that view. American attitudes are far warmer toward Israel than those of Europeans.

15 Of the 7 new NATO members, five (Estonia, Latvia, Lithuania, the Slovak Republic and Slovenia) are also part of the next wave of EU enlargement, and the other two (Romania and Bulgaria) remain likely candidates for EU membership. Of the 10 new EU members, three (the Czech Republic, Hungary and Poland) are already members of NATO and five more are joining as part of the new wave. Seen another way, after the next rounds of enlargement, 19 of 25 EU members will be in NATO, and 19 of 26 NATO members will be in the EU (with at least two more, Romania and Bulgaria, likely to join).

16 Pew Research Center, 18 March 2003.

17 The Chicago Council/German Marshall Fund poll found that 72% of Europeans supported the use of troops 'to bring peace to a region

where there is civil war', in contrast to only 48% of Americans who held that view. This is also borne out by the high proportion of Europeans (compared with American troops) serving in post-conflict military deployments in Bosnia, Kosovo, Macedonia, and ISAF in Afghanistan.

18 The Prague Capabilities commitment consisted of 'firm and specific political commitments to improve [European] capabilities in the areas of chemical, biological, radiological, and nuclear defence; intelligence, surveillance, and target acquisition; air-to-ground surveillance; command, control and communications; combat effectiveness, including precision guided munitions and suppression of enemy air defences; strategic air and sea lift; air-to-air refueling; and deployable combat support and combat service support units'. Prague Summit Declaration, Para. 4(d), http://www.nato.int/docu/pr/2002/p02-127e.htm

19 For an analysis of what both the United States and Europe should do to increase their ability to contribute to peacekeeping and humanitarian missions, see Michael O'Hanlon, *Expanding Global Military Capacity for Humanitarian Intervention* (Washington DC: Brookings Press, 2003).

20 The NATO–EU agreement was reached on 16 December 2002.

21 See, e.g. *Defence News*, 5 June 2000. The text of the Clinton administration's 17 proposals can be found at http://www.fas.org/asmp/campaigns/control/dtsa17pts.htm

22 See Daniel Hamilton, 'The Future Ain't What It Used to Be: Europe, America and the New International Landscape', The Robert Bosch Foundation Lecture, 11 December 2001, p. 13

23 The New Transatlantic Agenda identified 'promoting peace and stability, democracy and development around the world' as one of four major goals for transatlantic cooperation. USAID–European Commission consultations began in 1995, but for the most part there have been few operational results.

24 The need for new mechanisms was highlighted by Alan Greenspan, Chairman of the Federal Reserve, at the Council on Foreign Relations Financial Crisis Conference in July 2000 (quoted in Kupchan, p. 101).

25 Telecommunications, radio transmitters, electric and electronic products, pharmaceuticals and recreational marine aircraft.

26 A recent example is the informal US–EU financial market dialogue, which is considering such issues as the impact on transatlantic relations from directives under the EU Financial Services Action Plan and accounting standards. See Remarks of Treasury Deputy Secretary Kenneth Dam, 3 December 2002. http://www.useu.be/Terrorism/EUResponse/Dec0302HaassDamUSEURelations.html

27 See Stuart Eizenstat and Hugo Paeman, 'Closing the Transatlantic Divide', *The Financial Times*, 25 July 2002. Some senior US officials have echoed that sentiment. See, for example the remarks of US Principal Deputy Assistant Secretary of State for European Affairs, Charles Ries, who urged 'the need to explore alternative methods of dispute resolution, conciliation, arbitration, negotiation and to reward acts of collaboration. Compromise – for both sides – is a sign of strength, not weakness. For trade problems, WTO cases, merely because they are easy to bring should not be the first recourse to trade barriers.' 14 November 2002, http://www.useu.be/TransAtlantic/Nov1402RiesUSEUPartnershipTIES.html

28 For an overview of the history and the implementation of the safe harbour agreement, see the Commerce Department's web portal, http://www.export.gov/safeharbor/sh_overview.html.

29 Anne-Marie Slaughter has called this approach 'transnational governance'. See Anne-Marie Slaughter, 'The Real New World Order', *Foreign Affairs*, September–October 1997.

30 A fledging effort to establish a Transatlantic Environment Dialogue died in 2000 from lack of political support.

31 Another example of efforts to form a common scientific basis for policy formulation is the recent joint study by seven national academies of science on the risks and benefits of agricultural biotechnology. As well as the US National Academy and the British Royal Academy, other participants included academies from Brazil, India, China and Mexico, and the Third World Academy of Science. For the text of the report, *Transgenic Plants and World Agriculture*, see http://bob.nap.edu/html/transgenic/. These kinds of dialogues can provide a solid underpinning for government-to-government efforts, such as the US–EU Biotechnology Consultative Forum involving scientists, industry and NGOs, which was established in May 2000 and which issued a consensus report to the US–EU summit in December 2000. There has been no follow up on this report since the Bush administration took office.

32 See Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States.

33 See US Department of State, 'US/EU Meeting on Cooperation to Combat International Terrorism', 19 October 2001, http://usinfo.state.gov/topical/pol/terror/01101916.htm

34 In addition to the 'Europol 1' agreement to share strategic data and to facilitate cooperation on joint threat assessments, the US and EU are negotiating a second Europol agreement to allow the exchange of personal data in criminal cases and an agreement on Mutual Legal Assistance and Extradition. See Remarks of Ambassador Rockwell Schnabel, 3 December 2002, http://www.useu.be/About%20the%20Embassy/Ambassador/Speeches%20Schnabel/Dec0302SchnabelEPC.html

35 The preparatory work is conducted by the Senior Level Group. The Summits bring together key Cabinet Level Officials/Commissioners from agencies such as the State Department, US Trade Representative, Commerce and so on.

36 The G-7 (now G-8) was designed as an opportunity for informal, high-level dialogue among leaders, rather than as a working body, and there has been considerable resistance to institutionalising G-8 efforts (despite the arguable success of such quasi-institutionalised G-8 efforts as the Lyons Group on International Crime, and the on-going role of the G-8 'sherpas' who in some respects are the model for the SLG). Whatever the arguments for or against a more institutionalised approach to the G-8, the ad hoc nature of the current efforts, including the sherpa system, provide a poor model from which to fashion a stronger US–European relationship.

37 A recent speech by the current US Ambassador to the EU shows the difficulty this dialogue faces (with commendable determination by the US Mission to try to 'touch all the bases': ' On the political and security front, we have kept pace with the growing responsibilities of the

European Union as it develops a common foreign policy. At the invitation of the EU's Political Security Committee, high-level US officials have briefed European policy-makers on issues and regions where we have joint concerns, such as terrorism and South Asia. Recently, our Assistant Secretary for Non-proliferation, John Wolf, met jointly with the Political and Security Committee and the North Atlantic Council at NATO to address the worldwide threat of nuclear proliferation. And we have briefed Commissioner Chris Patten on the nuclear program recently revealed in North Korea. Similarly, we are active in the efforts to bridge military planning and capacities between the EU and NATO', http://www.useu.be/ About%20the%20Embassy/ Ambassador/Speeches%20Schnabel/ Dec0302SchnabelEPC.html

[38] Nye calls these 'political chat rooms'. See Joseph S. Nye, Jr. 'The United States and Europe: Continental Drift?' *International Affairs*, January, 2000, pp. 51–59

[39] See Fred Bergsten, 'The Transatlantic Century', *Washington Post*, 25 April 2002.

[40] According the GMF/ Chicago Council Poll: 'The British and Poles give the United States their highest ratings (68 and 65 degrees, respectively) [on a thermometer scale measuring 'warmth of feelings toward other countries]. Strikingly, the United States also receives the second highest rating from the Italians (68 degrees) and Germans (63 degrees) as well as the third highest from the French (60 degrees, just after Germany, which receives 62 degrees) and the Dutch (59 degrees, just after Great Britain and Germany). This suggests that reports of rising anti-Americanism in Europe may be overblown.

Europeans appear to like the United States at least as much as their major European neighbours.'

[41] According to a Pew Center survey taken on the eve of the war, favourable attitudes toward the US in Britain dropped from 75% in mid-2002 to 48%, in France from 63% to 31%, in Germany from 61% to 28% and in Italy from 70% to 34%. Pew Center, 18 March 2003.

[42] The Pew Center 18 March 2003 survey concludes: 'The publics of Western Europe are more apt to blame President Bush for the negative impact of US policy than to blame America in general. Among those saying US foreign policy is having a bad effect on their country, about three-quarters of the French (76%) and two-thirds of Germans (68%) blame the president. Relatively small minorities in both countries (15% in France and 30% in Germany) blame America in general. Just over half of the British (56%), Italians (52%) and Spanish (53%) also place responsibility solely on Bush'.