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The United States and Europe – an Elective Partnership

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Introduction

The end of the Cold War has ushered in a profoundly new era in international relations. The twentieth century was largely the story of a struggle between powerful states, where the United States and its allies sought to assure that no power could dominate Europe or control vital natural resources. Today, the prospect of war between any of the world's major powers has dramatically receded, especially in Europe. New risks and opportunities, arising from the explosive spread of globalization, have replaced these traditional "geopolitical" challenges.

Transnational threats, from terrorism, and international crime to environmental damage and disease pose an increasing danger to our well-being. 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 emerging to address the threats and opportunities that affect us all.

This transformation has had a profound impact on transatlantic relations. The collapse of the Soviet Union and the end of Europe's East-West divide

removed one of the key links binding us together -- a common threat requiring a common defense. 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.

Some have asserted that this confluence of developments foreshadows the end of the privileged transatlantic relationship for both partners. At a minimum it seems clear that if it is to survive, the partnership must evolve to suit the times. During the Cold War, the United States and Western Europe were necessary partners – Western Europe feared that it could not survive the Soviet challenge without the support of the United States, while the United States worried about the cost and consequences of having to fight Soviet expansion alone. In this new era, we don't need each other in the same way. At the same time, it does seem clear that 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 against 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. 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 burdensharing and Vietnam in the 1970s, to the INF

debates, SDI and anxieties about decoupling in the 1980's 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.[1]

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.

Globalization and the transformation of international environment

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 that bound us together. 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 World War II 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-

[1] See, for example, James B. Steinberg, "The Case for a New Partnership" in Gantz and 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.

1900s, which provided ethnic and cultural bonds. As the world's oldest, most well established liberal democracies, we shared common values, rooted in the Enlightenment.

These broad-ranging ties found their institutional expression in the Washington Treaty and NATO, an unprecedented formalization 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 U.S. ability to put together an ingathering of the world's leading democracies, tied together by shared military threats, political cultures and liberal values.

But even at 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% more than the level of transatlantic trade.[2] These changing trade patterns were a function of a revolution in global economic organization, as the spread of technology and the long-term lowering of trade barriers through successive global trade rounds made it possible to organize 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 realized 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 Single European Act adopted in 1986, which created a single market in goods and services by 1992. With the movement in goods and services came a new movement of peoples, as 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.

[2] 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 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.

These forces of change accelerated with a vengeance following the sudden 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 decade of the 1990s saw sharp 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.

But by the beginning of the twentieth-first century, Europe seemed within grasp of a "zone of peace". An EU of twenty-five members (by 2004) forms its core, with its energies 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 Europe's South. 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 center 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 globalization that were erasing boundaries between countries – could prove equally daunting. Although these threats ranged from international criminal and drug organizations, 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 September 11, 2001.

The consequences for US foreign policy of viewing counter-terrorism as the "organizing principle" of US national security strategy have been profound. In the immediate aftermath of September 11, President Bush, in a speech to the US Congress, announced that henceforth our relations with other countries would be judged by whether they were "for us or against us" in the war on terrorism.[3]

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 skeptical view of the importance of US-Russian relations, and a confrontational stance toward China, which his campaign labeled a "strategic competitor." Following 9/11, these relationships underwent a sea change. Both Vladimir Putin and Jiang Zemin were granted visits to President Bush's ranch in Crawford, Texas (an honor bestowed on only one US treaty ally, 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 September 10, 2001.

Other relationships, too, felt the impact of the dramatic shift in American priorities after September 11. 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 September 11 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 PM 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

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

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 quick invocation of Article V, 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 the military operations and in Afghanistan peacekeeping began to grow. These developments culminated in the decision to give NATO a formal supporting role for the International Security Assistance Force (ISAF), in the Prague Summit's commitment to a greater role of NATO in counter-terrorism, and even in 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 globalization. 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 U.S. 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 defense budget after 9/11, also seemed to make the unilateral option more plausible. The sense of heightened danger led to a growing emphasis, at least in rhetoric, on preemption and preventive war as tool in America's strategy. While the United States was not adverse to help from others – indeed it was welcomed – 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.

Europe has its own concerns about the negative consequences of globalization generally and about terrorism in particular. Global challenges such as climate change took on increasing importance on the European agenda, and with the evolution of the EU's Common Foreign and Security Policy, Europe began to take positions on a growing range of international policy issues beyond the European space.

But Europe's response to the challenge of globalization 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 crystallized a long-running dispute between Europe and the United States over a series of international agreements, ranging from the International Criminal Court to 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 September 11 attacks, Although EU governments and publics wholeheartedly empathized 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 US unilateral 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 the underlying causes of terrorism, 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 U.S. 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 is most stark form by Robert Kagan, in "Power and Weakness,"[4] 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 globalization, most Americans recognize that even with the US 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.

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 21st century. The remainder of this essay assesses these two challenges.

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[4] Robert Kagan, "Power and Weakness", **Policy Review**, No. 113, (June-July 2001).

[5] Kupchan, Charles, **The End of the American Era**, Alfred A. Knopf. New York, 2002. 9. 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.

BUILDING SECURITY COOPERATION FOR THE 21st CENTURY

The Evolution of Transatlantic Security Cooperation

During the Cold War, the basis for security cooperation between the United States and Europe was self-evident. Partners on both sides of the Atlantic, in virtually all mainstream parties, agreed that the Soviet Union represented a genuine 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 (the INF and SDI debates, European interest in "defensive defense" and Ostpolitik, as well as the US push to strengthen conventional forces in Europe are several obvious examples). There were also important disputes about roles and responsibilities, ranging from the burdensharing debate, to France's withdrawal from the unified military command, to controversies over strategies for assuring strategic nuclear coupling, which reflected a tension between the need for 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 theater – 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 (the "mission") and an agreed mechanism for addressing the challenge—both came under pressure with fall of the Berlin Wall. Beginning with London and Copenhagen summits in the early

[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.

1990s, through the Washington 50th anniversary summit and most recently Prague, NATO has grappled with the question of its mission and its role.

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 which may have an indirect impact on the security of NATO's members but do not necessarily represent an Article V attack on the members' territory?[7] 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 2001-2002.

Closely linked to the debate over mission was one about whether NATO was the right institution for security cooperation to address these new missions ("new" by virtue of function or geography). 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 institutionalized Organization 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 Defense 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

[7] Ronald D. Asmus, et al. "Can NATO Survive?" **Washington Quarterly,** Spring 1996, pp. 79, 92-93.

in political channels (the creation of the US-EU dialogues beginning with the Transatlantic Declaration in 1990[8] and further institutionalized 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, regardless of which side of the Atlantic we inhabit.

The most dramatic case is terrorism. The threat from terrorist organizations like 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 than the Europeans have, is a more attractive target for terrorists. But recent events, such as the attack on the French tanker in the Persian Gulf and French workers in Pakistan, the Bali discotheque, as well as pronouncement from al Qaeda leaders themselves, make clear that Europe (and other Western democracies) too are threatened. Moreover, the global network of the terrorist organizations puts their activities at heart of Western societies, and utilizes the tools of modern Western society

[8] The Transatlantic Declaration established the principles for greater EU-US cooperation and consultation in the fields of economy (liberalization, OECD, competition policy etc.), 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.

[9] The current mechanisms for bilateral cooperation are discussed in more detail later in this paper.

(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 (since it compounds the already virulent common threat identified above). It also applies to proliferation among states, both because these states might intentionally or unintentionally provide WMD capability to terrorists (or criminals) 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 of Foreign Relations poll 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.

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, for a number of reasons. These include reducing the risk that dangerous Soviet-era WMD materials will fall into the wrong hands, preventing the spread of conflict along Russia periphery, which could destabilize neighboring countries and provide havens for terrorists, and assuring that Russia does not adopt revanchist ambitions as its economy and society begins 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 organizations. 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 Euro-Atlantic Partnership Council, lest this region become a haven for, and source of terrorism and instability.

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[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

Similarly, we both have a stake in completing the integration of the Balkans not only to prevent the re-igniting of regional conflict, but also to deprive terrorists and international criminals of a foothold. Finally, both have a stake in the successful emergence of a secular, democratic 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 the security interests (actual and perceived) of the United States and Europe. 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 strong historical connection to Taiwan) means 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.[11] 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, while only 18% of Europeans held that view.

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 greater caution than the US approach, which sees Turkey's EU membership as a carrot for greater Turkish cooperation on issues of importance to the United States, such as Iraq.

Another important area of divergence concerns the Middle East. At least for the last thirty years the United States has played the dominant role in the Middle East, particularly with respect to issues involving the conflict between Israel and its Arab neighbors. As a security partner for Israel, and as the principal diplomatic actor, the United States has been far more deeply engaged, although

[11] 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

historical ties buttressed by links through immigration have given several European a keen interest and distinctive perspective on Middle East issues.

These differences can be seen not only in terms of government policy, where European governments on the whole have been more sympathetic to the position of Arab governments and the Palestinians concerning the peace process than the United States.[12] They are also reflected in public attitudes on the issues. The Chicago Council/GMF poll shows that Americans are much more concerned about military conflict between Israel and its Arab neighbors (67% in the United States consider it critical, compared with 42% in Europe). Seventy-two percent of Europeans favor a Palestinian state, while only 40% of Americans hold that view. American attitudes are far warmer toward Israel than Europeans.

Yet even in the Middle East, shared interests remain strong. Both the United States and Europe have a powerful interest in assuring a stable, affordable supply of energy from the region. We have a common stake in economic and political reform that would reduce the role of this region as an importer of WMD and exporter of terror. While European concerns about emigration from the region (particularly the Mahgreb) are more immediate than those felt in the United States, both have interest in providing economic opportunities to the people of the region to ease the pressure of burgeoning populations.

Thus it seems clear, at least in principle, that the range of priority common security interests between the United States is sufficiently broad as to warrant a serious effort at cooperation. But to achieve cooperation in practice, the two sides must have an effective means of working together. This in turn implies a way of reaching common ground on the means to concert their efforts.

There are several barriers that stand in the way of operationalizing security cooperation. The first is the absence of agreed, effective mechanism for reaching common decisions about what to do. A second, closely related factor is a differing assessment of the efficacy of various tools and strategies to meet common threats. The third is a divergence in capabilities, which can inhibit cooperation even when the goals *and* the strategies are agreed.

The Mechanism: A New NATO or a New Approach?: The debate over the mechanism of cooperation has centered around whether NATO, suitably

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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.

[12] Generalizations 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.

adapted, should continue to be the favored forum or whether new approaches are necessary, to reflect changes within Europe and the world.

Those who favor 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 – including arms control (such as the Harmel Report) and the Article IV role. 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 (through the NATO-Russia Council, PFP, etc) 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 potential war with Iraq (not to mention lesser contingencies, like Sierra Leone or the Ivory Coast) make clear. Only NATO has the kinds of mechanisms (include 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 and in particular the development of the CSFP and ESDP (including "European" military forces) means that the EU should and will increasingly develop common positions internally, and that coming together at 19 (or 26) fails to reflect that new reality –indeed it 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 the Caucasus and Central Asians) that share neither our values nor our interests. On the military effectiveness argument, they point to the Berlin plus arrangements as a way of assuring that

military cooperation can take place across the NATO-EU boundary, and on the final point, they insist that new US-EU links can provide an alternative basis for US engagement in Europe.

Although there is no unambiguously right answer to this question, the balance would appear to favor 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 represent recognition on both sides of the Atlantic of the continuing importance based on the participation of each sovereign government, not two blocs (the United States and European). This is reinforced by the parallel and largely overlapping processes of NATO and EU enlargement.[13] Indeed, most of the new EU members are more "transatlantic" in their orientation than many of the existing members of the EU.

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. It can play a helpful role however in continuing to develop norms on human rights and the rule of law and monitor states' performance, and may offer an alternative "chapeau" for sending in unarmed or lightly armed security forces, as an element of post-conflict stabilization (particularly in the former Soviet Union states) when "military" forces are unnecessary.

The approach: unilateralism, multilateralism and international institutions: Even if there is agreement in principle on the need for cooperation

[13] Of the 7 new NATO members, 5 (Estonia, Latvia, Lithuania, the Slovak Republic and Slovenia are also part of the next wave of EU enlargement, and the other 2 (Romania and Bulgaria) remain likely candidates for EU membership. Of the 10 new EU members, 3 (Czech Republic, Hungary and Poland) are already members of NATO and 5 more are joining as part of the new wave. Look at 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)

and the mechanism to pursue it, are differences in worldview becoming sufficiently wide that cooperation will remain difficult in practice? This is the argument of Kagan. But the Chicago Council poll strongly suggests that this an exaggerated and rather inaccurate picture of public attitudes both in the United States and in Europe concerning how to pursue common interests. Contrary to Kagan's argument, the GMF/Chicago Council poll shows that "[b]oth sides strongly support a multilateral approach to international problems and the strengthening of multilateral institutions. 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 favor 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.

Recent events, including US policy toward Iraq, demonstrate that even for the Bush Administration, the UN and formal alliances such as NATO still play a critical role. President Bush's September 12, 2002 speech to the United Nations represented a sharp repudiation of those in the Administration and without who worried that resort to the Security Council would only hamstring the achievement of US objectives. The growing willingness to engage NATO on a possible role in Iraq in the run-up to the Prague summit is further evidence that even a "unilateralist" US Administration will often see the benefits of multilateral cooperation beyond what can be achieved through "coalitions of the willing".

The capabilities gap -- an insurmountable barrier?: 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 – growing divergences between the United States and Europe on overall levels of defense 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 Europe to favor 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 more valuable partner, leaving the United States free to ignore European views, and to develop closer relationship with more strategically relevant partners (Russia, Central Asia, etc.).

These concerns, while real, seem seriously overstated. First, most military operations do not require "high end" forces at all – contingencies such as Sierra Leone and the Ivory Coast are but two recent examples. Even in high-end contingencies, not all of the central military roles require the most technologically sophisticated forces – consider the role of the Northern Alliance in the Afghanistan conflict. Third, even 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, precision guided munitions) can be rectified without dramatic increases in European defense budgets.[14] Thus the capabilities issue by itself need not be a serious barrier to US-European security cooperation.

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 labor" in the security realm. Despite the US strong lead in military capabilities, and a greater European willingness to engage in "nation-building",[15] 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 labor 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,

[14] Greater US willingness to transfer technology to allies could also help in reducing the magnitude of the technology gap.

[15] The Chicago Council/GMF 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.

then the United States will almost inevitable 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 will lead Europeans to downplay the efficacy of force as an option.

Second, and closely related to avoiding division of labor 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 decisions of the Prague summit concerning the "Prague Capabilities Commitment" are a step in the right direction, although as with other, past commitments, it remains to be seen whether the reality will follow the promise.[16]

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 stabilization and reconstruction. This includes training and equipping conventional military forces for these roles, and perhaps more important, the development of specialized capabilities (including paramilitary capabilities such as the Italian *carabinieri* and France's *gendarmarie*) to meet the unique security depends these missions entail.[17]

Fourth is the importance of preserving consensus at the heart of Alliance decisionmaking. Some have argued that with the expansion of NATO, the time has come to reconsider the consensus rule for decisionmaking. Proponents argue that at 26, consensus will become gridlock, hobbling NATO's ability to act in a timely and effective way to meet 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. NATO has always been able to develop practical means to allow the most powerful states to play a proportionately influential role (witness the role of the "quint" during the Kosovo

[16] 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 an combat service support units." Prague Summit Declaration, Para. 4(d).

[17] 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**, Brookings Press, forthcoming.

war), and to avoid dissenters from paralyzing NATO action (consider the so-called "footnote" countries during the INF deployment debate). 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 has been cluttered with the political and operational minefields associated with fostering the ability of the EU to provide effective military forces, without unnecessarily duplicating NATO capabilities or creating transatlantic ruptures. With the (at least for now) resolution of the Greece/Turkey blockage on "Berlin plus",[18] 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 defense industrial cooperation. This has been a perennial subject at NATO, and the core reality of disproportionate market sizes coupled with domestic politics assures that there will be no silver bullet. But it also seems clear that 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 Defense Trade Security Initiative, which relaxed restrictions on technology transfer to European allies, can help build transatlantic cooperation while providing necessary security.[19]

Given the changing nature of our security threats, "defense 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 tech transfer will need to be addressed if the collaboration is to be fruitful.[20]

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[18] The NATO-EU agreement was reached on December 16, 2002.

[19] See, e.g. **Defense News**, June 5, 2000. The text of the Clinton Administration's 17 proposals can be found at http://www.fas.org/asmp/campaigns/control/ps000524d.html.

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

Building the Infrastructure of Global Governance

Building a framework for transatlantic security cooperation does not exhaust the opportunities for a 21st century partnership between the United States and Europe, since in the emerging world of global politics, many of the key risks and opportunities we face go far beyond security challenges, even broadly understood. For the non-security realm as well, the consequences of globalization make international cooperation imperative, and in many areas the common US-European interests are even more profound outside the security realm. In particular, the United States and Europe have a number of vital, strongly shared interests: in assuring that the benefits of globalization are shared widely, both within our societies and throughout the world; that the infrastructure of the global economic system remain robust and open; that sustainable policies are implemented to assure the long-term health of the global ecosystem; and that new regimes and institutions are developed to handle these and other inherently transnational problems.

Sharing the Benefits of Globalization

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, and the demographic gains help offset trends toward an aging population, easing the strains of future taxpayers and providing a more sustainable base for pensions in the future. Both the United States and Europe depend heavily on inward and outward capital flows, and the rapid exchange of ideas is not only fueling innovation, but also helping to propagate our values around the world.

But the benefits of globalization are not fully shared, either within our societies, or even more dramatically, around the world. Inequalities within our societies have hit some segments of our populations hard (such as workers in manufacturing centers whose jobs have moved to less developed countries, and in Europe, among immigrant populations, particularly from the Arab and Islamic world), fueling domestic instability, crime and political alienation. Abroad, some

developing countries, notably China and more recently India, have begun to tap into globalization to spur growth, but those outside the global web have fallen further and further behind. Even within successfully globalizing developing countries, internal divides seriously threaten social stability.

The tensions that grow out of these variations in sharing the benefit of globalization have serious, shared consequences for the United States and Europe. At home, backlash against globalization can lead to policies, such as protectionism and anti-immigrant movements, that threaten our ability to sustain the growth that globalization provides. Abroad, the failure of many to reap the benefits of globalization 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 interest (as well as a humanitarian one) in addressing this global challenge. In part the answer is a fairer global economic system (to be addressed 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. Of course, the United States and Europe are key actors in the principal global development organizations, such as the World Bank, regional development banks, the IMF and UN bodies such as UNDP, UNEP, GEF, as well as global efforts such as the 2002 Monterey summit. Through the G-7, the United States and Europe play an important policy-setting role, leading to initiatives such as HIPC debt relief program. But to date, there have been limited and only sporadically effective efforts to coordinate bilateral assistance, and the recent decision of the Bush administration to launch the $5 billion Millennium Challenge Account as a bilateral program with its own criteria, essentially independent from the multilateral development organizations efforts

(or objectives), 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 the vital, seriously unmet challenge.[21] Of course, in many cases, the best means of carrying out joint strategies will be through multilateral organizations, such as the Development Assistance Committee (DAC) 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 organizations 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, underfunded and thus of limited effectiveness.

Strengthening the Global Economic Infrastructure

As noted above the United States and Europe are among the principal beneficiaries of the broad trends of globalization. But our ability to continue to reap these benefits depends on the robust flow of trade and investment. As the Asia financial crisis of 1997-1998 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 (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.[22]

In parallel with the financial crisis of 1997-1998, the world economic system sustained a second, political shock in 1999 with the Seattle WTO trade summit. The failure to reach agreement at Seattle 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

[21] 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.

[22] The need for new mechanisms was highlighted by Fed Chairman Alan Greenspan at the Council on Foreign Relations Financial Crisis Conference in July 2000 (quoted in Kupchan, p. 101).

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 and textiles. 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 affected interest groups, such as environmental and consumer groups to participate. Although substantive progress was made at Doha to launch a new round, these underlying issues remain very much unresolved.

More broadly, the globalization 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 collectivity, 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 (TABD) 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.[23] 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[24] and the private sector level (the TABD has a companion in the Transatlantic Consumer Dialogue.)

[23] telecommunications, radio transmitters, electric and electronic products, pharmaceuticals and recreational marine aircraft

[24] A recent examples 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

These efforts clearly 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 institutionalized, enduring effort that depends less on personalities. Frequent resort to the WTO dispute resolution mechanisms has not only failed to depoliticize 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.[25] Collaborative efforts, such as the "safe harbor" 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.[26] 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.[27]

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 (e.g. forests) stymied progress at successive Conferences of Parties. 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.

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accounting standards. See Remarks of Treasury Deputy Secretary Kenneth Dam, December 3, 2002. http://www.useu.be/Terrorism/EUResponse/Dec0302HaassDamUSEURelations.html

[25] See Stuart Eizenstat and Hugo Paeman, "Closing the Transatlantic Divide", **The Financial Times**, July 25, 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." November 14, 2002. http://www.useu.be/TransAtlantic/Nov1402RiesUSEUPartnershipTIES.html

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

[27] Anne-Marie Slaughter has called this approach "transnational governance". See Anne-Marie Slaughter, "The Real New World Order", **Foreign Affairs,** September-October 1997.

Although climate change has headlined transatlantic environmental disputes, other controversies, ranging from biodiversity to the environmental consequences of GMOs to the broader question of the role of the "precautionary principle" and the possible need for a multilateral environmental organization to complement the WTO, have dogged US-European over the last decade. 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% to 45%) support agricultural biotechnology, and a clear majority support the right of Europe to impose a labeling requirement.

This suggests the need for more effective mechanisms to coordinate United States and Europe approaches to environmental policy.[28] The first step is to try to achieve greater scientific consensus on the underlying issues. The development of such a consensus can be a powerful tool for policy coordination – 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 is a powerful case in point. The efforts of the Intergovernmental Panel on Climate Change (IPCC) have also had an impact on the United States (at least in rhetoric) as even the Bush Administration has had to concede the role of human activities in global warming. Seven National Academies of Science (including the US National Academy and the British Royal Academy)[29] recently collaborated on a joint study of the risks and benefits of agricultural biotechnology -- another example of seeking to form a common scientific basis for policy formulation.[30]

Given the current state of 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, but the objective

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

[29] The other academies were from Brazil, India, China, 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/

[30] 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.

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 come 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, for both the United States and Europe, 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 involve suggest that mechanisms for transatlantic cooperation must extend beyond NATO. As with the preceding issues, transatlantic cooperation alone will be insufficient, but necessary to mobilizing the broader international community.

The EU's own progress in deepening cooperation on the so-called third pillar issues offers an important opportunity to strengthen US-EU cooperation as well. On issues such as arrest warrants, evidentiary legal assistance, etc. the prospect that Europe will adopt a common standard (as evidenced by the recent success toward harmonizing trans-EU arrest warrants)[31] 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 September 11 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

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

agencies (EUROPOL, EUROJUST) 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 in the context of EU's own integration on Justice and Home Affairs, [32] and on December 6, 2001 signed the EUROPOL-US agreement to foster further cooperation at a meeting with Secretary Powell with the EU's Justice and Home Affairs Council.[33]

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 9/11 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 harmonization 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.

The issues discussed in the preceding sections 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, and if the United States and Europe can develop a greater consensus, the possibility of global agreements on new mechanisms to cope with these challenges is that much greater.

In each of these areas, we have seen that there is, in principal, broader scope for common action to pursue common interests that we have achieved today. Yet despite this potential convergence, differences seemed to dominate the areas of agreement.

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[32] See US Department of State, "US/EU Meeting on Cooperation to Combat International Terrorism" October 19, 2001

[33] 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, December 3, 2002. http://www.useu.be/About%20the%20Embassy/Ambassador/Speeches%20Schnabel/Dec0302SchnabelEPC.html

To translate the potential of the transatlantic relationship into a more positive reality will require two kinds of developments. First, the Europe Union itself must take further steps to institutionalize 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 decisionmaking.

The issue of Europe's capacity to act on the global stage is front and center 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, although sharing the stage with individual member countries, both through their bilateral assistance and through their individual participation in multilateral bodies (including the World Bank, IMF, and UN agencies). The G-8 is a concrete expression of the shared role between nations and the EU on many of the transnational challenges discussed in this essay – both individual countries (France, Italy, the United Kingdom) and the Commission participate in summit and subordinate activities relating to development, environment, terrorism, international crime, etc.

Foreign policy and especially defense policy remains 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 new Political and Security Committee and 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 for 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 decisionmaking – 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 and the on-going 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 that a succession of small countries (Latvia, Lithuania, Luxembourg for example) holding the Presidency could deal a crippling blow to efforts to get the US President to take these meeting 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 GMO issue could be a harbinger of difficulties to come.

Over the last decade an elaborate mechanism has been developed to support the semiannual US-EU summits.[34] 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 on-going, long-

term policy development and implementation that would be necessary to sustain a new, higher level of transatlantic cooperation.[35]

Improving the dialogue at the head of state/government level is but the tip of the iceberg in 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 Rep and the Commissioner for External Affairs provides additional complication and confusion. Further complicating the picture is the role of the PSC.[36] 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 regularized 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 center of action in Washington to allow for effective dialogue with key decisionmakers. Nor will it be sufficient for the State Department's European Bureau

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[34] 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, etc.

[35] 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 institutionalizing G-8 efforts (despite the arguable success of such quasi-institutionalized 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 institutionalized 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.

[36] 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 U.S. 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

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 on-going transatlantic deliberative committees on priority policy issues that can function as the transatlantic equivalent of the interagency process. Dean Joseph Nye of the Kennedy School 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.[37] 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, nor 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. Harmonizing 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 marginalize 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 generate a backlash that could make the achievement of our objectives more difficult. [38] But the over-riding danger remains too little transatlantic cooperation, not too much.

The case for optimism is buttressed by the perception by citizens on both sides of the Atlantic that we still matter to each other. In the GMF/Chicago Council poll, 58 percent of Americans say that Europe is more important to the US than Asia, up from 42% in 1998. Europeans, in turn show continued warm feelings toward the United States.[39] Sixty four percent of Europeans support a strong US leadership role in world affairs.

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[37] 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

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

[39]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

The bottom line: a vibrant transatlantic partnership remains there for the having, 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.

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 neighbors."