

Conflicting U.S. and European Approaches to the New World Order: Economic Relations and Security

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During my term as E.U. Ambassador and Head of the Delegation of the European Commission in Washington, which ended towards the year 2000, I was regularly asked to comment on the state of the relations between the U.S. and the Union. In doing so, I fell mostly back on a rather simple, but realistic scheme, the different elements of which I could easily organize according to different sequential formulas. But I always started or ended by stressing the fundamental common values and principles that were at the heart of the Atlantic Alliance and which at the end of the day remained the determining factors of our relationship. Of course, I had to go through the series of so-called irritants in the trade sector, with the bananas, the hormone enhanced meat, the G.M.O.'s, and other niceties. But I tried to put the persisting mutual misunderstandings and preconceptions in their right context and perspective and untiringly expressed my hope and confidence that reason and the sense of solidarity would continue to prevail.

My hunch is that those speeches would rather sound out-of-date today. Already in 1999 the Nixon Center in Washington published a study on “Trends in U.S. – European Relations” under the foreboding title “Drifting Apart”, but which was at that time still followed by a question mark. Bookcases full of literature on the same subject have been published since then. And, of course, the question mark has disappeared for quite a while. The phenomenon is not contested, the discussion is rather about its inevitability, its impact on both sides and the indispensable adjustments that will have to be made. A not unimportant American official has already intimated a European-wide sell-off, separating the “new” from the “old” parts of the legacy.

Facts and perceptions

Of all that has been written and said what can we consider to be the basic facts and what are the perceptions?

Among the decisive facts that have influenced the U.S. – European relationship recently are undoubtedly:

- the end of the Cold War and the consolidation of the U.S. as sole superpower,
- the further development of the European integration with the creation of the Euro, the E.U.’s Enlargement and the start of its Common Foreign and Security Policy,
- the U.S. – E.U. partnership in the Balkans,
- the disagreements on a solution for the Middle-East crisis, and most eminently
- the events of September 11 and their aftermath.

It is remarkable that nearly all these events belong to the “security” or geo-political side of the relationship. Does this mean that the time of the banana war and the G.M.O. disputes is over? Or rather that the new issues are of such compelling importance that the once predominant trade fights have been dwarfed? Have the security battalions taken over from the trade warriors? Because even more remarkable is the gap that seems to exist between, on the one hand, the developments in the economic sector and, on the other hand, the security areas.

In a study, published a couple of weeks ago, on “The Primacy of the Transatlantic Economy” Joseph P. Quinlan from Johns Hopkins University writes: “One of the defining features of the global economic landscape over the past decade has been the increasing integration and cohesion of the transatlantic economy. Globalization is happening faster and reaching deeper between Europe and America than between any other two continents.” Some of the many facts from the study show not only that both are each other’s major trading and investment partner, but :

- both continents are each other’s most important market in terms of global earnings;
- in 2000 roughly 58% of corporate America’s foreign assets were located in Europe and European firms accounted for more than two thirds of total foreign assets in the U.S.;
- about 7 million Americans owe their livelihoods to European investors; the corresponding European figure is 6 million.

The general thrust of his findings is that in the past decade “the transatlantic economy became even more intertwined and interdependent”.

In contrast to this, It goes without explanation that the relations in the security area have developed in a different direction, at least with some countries and with a large part of the European public opinion.

But let’s go back to the most recent developments on either side.

In 2000, as I mentioned before, the European Union introduced the Euro as common currency. This made the economic integration quasi irreversible. The three Member States of the E.U. that have stayed out will probably join in the near future. There was some skepticism and even some suspicion in the U.S. when the idea of a European currency was launched. This has now disappeared and the Euro is being treated as a normal international currency.

The next natural step in the European integration process is considered to be the establishment of a real Common Foreign and Security Policy. In that context the decision had already been taken to deploy a military force of 50 000-60 000 people capable of performing humanitarian and rescue tasks as well as peacekeeping and certain peacemaking tasks. As their first mission the Union forces have taken over the reins of peacekeeping mission Operation Allied Harmony from NATO. Matters of collective defense, however, are left to NATO, of which most E.U. countries are members. It has

to be said that, although it was an indispensable part of the initial concept of the European integration, the idea of a common foreign and defense policy was only gradually, and even somewhat reluctantly developed.

On the enlargement of the Union, negotiations have been finalized aiming at the accession of 10 new countries to the Union in 2004. That will bring its population close to 500 million. This is more than the populations of US + Canada + Japan + Australia + New Zealand together. I mention this only to give an idea of the Immense challenge this phase of the European integration implies.

In light of these fundamental developments and the challenges involved, the Governments of the Union have organized a Convention, which has been asked to formulate recommendations in order to increase the efficiency and democratic legitimacy of the governance of the larger Union.

Nobody will deny that with all this Europe has taken on a full plate of its own recently and that, inevitably, its collective energy has been mainly devoted to the intricacies of one of the most decisive phases of the integration process.

On its side, the new American administration, which took over in 2000, had openly announced that its foreign policy would be more consistently focused on the national interest. As Condoleezza Rice wrote: "...it will proceed from the firm ground of the national interest, not from the interests of an illusory international community." This led, in the early stages, to the renunciation of some multilateral agreements

already in force or in the process of ratification (Kyoto Agreement, A.B.M. Agreement, Court of International Justice...). The implementation of the new foreign policy was in the hands of what was generally considered to be a “dream team”, perceived somewhat in contrast with the economic team, which would anyhow be totally replaced after only some months in office.

On the foreign trade side, the American government was instrumental, with the E.U. and others, in launching the new multilateral negotiations of the World Trade Organization in Doha. Congress gave the administration the authority to negotiate a global agreement. On the bilateral side, and in accordance with some campaign promises, the administration introduced a considerable increase of its farm subsidies and applied safeguard measures to protect the steel industry.

However, the dominating events during the last two years were undoubtedly the terrorist attacks in New York and Washington and the subsequent American policy shake-up in the context of the war against terrorism. After the worldwide wave of sympathy and solidarity, reactions to the subsequent U.S. policy became more divisive in the world and more particularly in Europe. Within the U.S., somewhat inevitably, the focus on homeland security and on weapons of mass destruction has strengthened even more the fundamental priority given to the pursuit and defense of the national interest.

How deep is the gap?

Without going into the circumstances and deeper causes of the Atlantic divorce following the 9/11 events, it is worthwhile trying to understand whether the growing divide has been caused by irreversible forces, inevitable outside developments or whether it is the logical consequence of consciously taken options based on divergent views of a changing world. .

There are those who believe that the growing inequality of power, which they equate to military power, inevitably widens the gap between the two partners of the Atlantic Community. This theory says that a stronger U.S. will, quite naturally and inevitably, always want to fully exercise its power in a world where strength is the unique decisive yardstick between nations. Similarly and as inevitably, the weaker Europeans try to hedge their weakness by invoking rules or by concluding international agreements. How do those pundits explain that this anomaly has not appeared more openly before? Because the Cold War and the protective shield of NATO, essentially provided for by the U.S., made it possible for Europeans to build a kind of paradise based on idealistic but somewhat illusive concepts like international law, multilateral agreements, human rights, etc. These commentators have a tendency to consider the European Union as the apex of fairyland playing funny girls' games and having even invented their own funny currency. Evidently, they consider that, in the new world order, this asymmetrical development can not go on much longer, if only because of the irrepressible need for the superpower to

exercise his muscles in order to secure its eminence in a world of macho states.

The reality is probably somewhat different. But it does not mean that the concept of the rock-solid Atlantic Alliance, as it survived the skirmishes of the Cold War, is not being seriously challenged by the geo-political shifts that have taken place during the last fifteen years. Successive NATO summit meetings have wrestled with the seemingly irreconcilable requirements of the preservation, adaptation and enlargement of the Alliance. It is also far from clear what the role of an “adapted” NATO can be in the context of the new national security strategy of the U.S.. Sometimes it looks like preordained as a reservoir for possible ad hoc coalition-building wherever national interests are threatened. As the present administration prepares the country for continuous leadership in the world based upon military superiority and balance of power between the major countries, some Europeans ask themselves what in that scheme the role of the E.U. would be beyond that of a loyal NATO “dishwasher”, the real menu nor the guests at the meal having been disclosed.

On the other hand, it is also far from clear how prepared the Member States of the E.U. are to do what is needed for the establishment of a credible European military force that could really be in charge of the European home security as well as become what was once called the European pillar of the enlarged Alliance. As I said before, the building of a European defense capacity was always considered to come at the end of the economic and political integration process.

The recent developments will increase the pressure on the governments to add this dimension more clearly to the enormous challenge of the enlargement and institutional reform of the Union. But they will have to deliver more than plans if they want to convince the U.S. and the rest of the world of their strategic role and be considered as relevant interlocutors and reliable partners.

Is there room for compromise?

Answers to these questions would in the first place presuppose that Europe and the U.S. can work out a concept and a “modus vivendi” of coexistence between two different views of the future world order. It is indeed unlikely that the European Union will ever, or at least in the foreseeable future, and this notwithstanding its relative economic, political and possible military weight, join the military competition in the world. The whole culture that led to the constitution of the Union, fed by the experiences of internecine wars, has been dominated by the concept of a community of law. It is unrealistic to think that in its external relations the Union would not try to gradually apply the same basic principles. This would imply a fundamental change in the history of international relations (as the E.U. has introduced already as far as its own member states are concerned). The only context in which this is possible is the system of the United Nations, which has excluded the use of force as a legal way to settle international conflicts short of situations of self-defense in compliance with existing rules. It does not exclude competition between nations but would subject all international exchanges to a legal system of

multilateral rules. There are the schools of the realists and the neo-realists who, evidently, will look down with skeptical sympathy on these naïve “Kantian” visions.

The position of the U.S. on this issue will be decisive. Its monopoly of military power allows it to satisfy the requirements of a global strategic reach. But solitary action has become difficult in a unifying world and politically risky. Even if this unique position of strength can be maintained in the foreseeable future, it will encourage others to look for recognition based on the same standards and using the same elements of power. With the transfer of technology becoming increasingly fluid, monopolistic positions will be more and more short-lived. One does not need to be a doom-sayer to predict that without a genuine effort to curtail the production and proliferation of weapons of mass destruction every country in the world that wants to do so will soon dispose of such weapons. But only the United States is in a position to launch a credible process not to stop the technology, which is already there, not to reserve their use to some privileged and self-designated countries, which will not be accepted by the others, but to gradually come to a system of rules that will be applicable to everybody and monitored and enforced by a credible authority. This authority, according to the Europeans, can only come, in one way or another, from the United Nations, where the U.S. is unmistakably the key player.

All this does not mean that Europe will give up its military ambitions and its reach for hard power. Nor should other nations do so. What many Europeans would like to see is

that this moment of unique economic and military power of the Western world, and of the United States in particular, be used to establish some basic rules of the global game, based on the universal values they represent, and have them accepted and enforced by the world community so that they will survive a possible change in the relative balance of power, which is never to be excluded (if not for our children, perhaps for our grandchildren). They will only have some chance of success, though, if the effort is genuine and if their promoters themselves are ready to respect the rules. It was Dr. Henri Kissinger, the historian, who wrote: "The test of history for the United States will be whether we can turn our current predominant power into international consensus and our own principles into widely accepted international norms, That was the greatness achieved by Rome and Britain in their times".

The globalization of the world has already led to a considerable increase of international agreements and arrangements at the governmental and non-governmental level. This is particularly the case between the U.S. and Europe as a consequence of the increasing integration of the two societies. These networks are not the result of the growing military power of the United States. They have rather expanded in the non-military sector, particularly since the strengthening of the E.U., as appears from the study by Joseph Quinlan I mentioned before. This shows an interesting relationship between the so-called soft and hard power nations can exert. As there is no doubt that good diplomacy backed by some hard power capacity will be more effective, it is wrong to think that both are mutually

supportive in all circumstances. It is easy to recall examples where too much or abuse of hard power has led to a less efficient diplomacy, as there are many examples of deficient diplomacy leading to military conflicts that could have been avoided.

Between the U.S. and the E.U. a wide framework of consultations has been set up since the adoption of the New Transatlantic Agenda in 1995. The general feeling is that it did not deliver what had been hoped for. It has been working well in the trade sector for quite some time, with ups and downs, notwithstanding the objective differences of interest in certain areas. It has also worked well in other sectors like certain aspects of the war against terrorism. But there is no doubt that the recent experience will lead to some thinking on both sides about how things went as wrong as they did and how this can be avoided in the future, if that is what they want, a goal that I would wholeheartedly endorse.