

Mission impossible?

Managing the growing divide between Europe and the US

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Introduction: a relationship under stress.

Independent analysts and commentators on both sides of the Atlantic agree that US-European relations are in bad shape.¹ With depressing regularity, news headlines announce yet another US-European bust up. From strategy towards Iraq, Israel-Palestine, the International Criminal Court and UN peacekeeping, via conflicts over the Bio Weapons Convention, the Kyoto Protocol to steel imports and Foreign Sales Corporation – the list of serious transatlantic disagreements is long and all too familiar. In the summer of 2002 CNN showed an in-depth analysis of US-European relations with the indicative title: ‘America and Europe: is there anything do they agree on?’

At the same time government insiders remain keen to stress the positive: they argue that the day-to-day record of close co-operation still outweighs the small number of headline-grabbing disputes. Leaders and officials on both sides of the Atlantic stick to the soothing rhetoric of continued, close co-operation. At summits and conferences they trot out the familiar mantras of ‘ties that bind’, of shared values and common interests. Transatlantic ‘optimists’ also stress that while some European politicians have voiced their concerns and frustration with US policies (e.g. Chris Patten, the Commissioner for External Relations, and French President Jacques Chirac), others have consciously emphasised the underlying strength of the relationship (look at

Prime Ministers Tony Blair, José-Maria Aznar and Silvio Berlusconi). And while criticisms of the EU and its foreign policy positions is widespread in the Bush administration, some have argued that, while reforms are needed, there is still much more that unites Europe and America than divides them.²

The transatlantic ‘optimists’ are right in one sense. There is nothing new about the US and Europe falling out over important international issues: they have been doing it for decades. The Cold War saw many, sometimes vicious, disputes about the appropriate balance between détente and confrontation with the Soviet Union, about the wisdom of various (post-)colonial interventions (Suez, Vietnam etc.), as well as about important trade and exchange rate issues. This list too is long and well known.

And yet, the optimists’ case ultimately fails to convince. For there is now a new context in which transatlantic disagreements manifest themselves. Crucially, these changes preceded both the Bush administration and the September 11th attacks. First, the end of the Cold War changed the primary focus of transatlantic co-operation away from the European and onto to the global arena. And on this global agenda, Europe and America – often – do not agree. They differ on the nature and urgency of the problems to be addressed (the ‘mad men and loose nukes agenda’ vs. the ‘dark side of globalisation’). And they have even more diverging assessments on what sort of strategy works in dealing with these problems (prioritising ‘hard’ or ‘soft security’, opting for unilateral action vs. multilateral co-operation etc).

Second, September 11th has accentuated these differences in world outlook, not reduced them. Americans are focused exclusively on the so-called global ‘war against terrorism’. This in turn has strengthened the relative influence of the hardliners inside the US administration and reduced its willingness to consult allies and, at least occasionally, heed their advice. The Europeans, meanwhile, fret about the post-‘911’ tendency to reduce all complex global problems to the neat templates of the ‘war on terror’. For example, many Europeans believe that the famous ‘Axis of Evil’ speech by President Bush (in January 2002) conflated terrorism with weapons proliferation:

¹ See amongst other Julian Lindley French, [Terms of Engagement. The paradox of American power and the transatlantic dilemma post-11 September](#), EU Institute of Security Studies, Paris, May 2002.

both are serious problems but they should be treated as analytically distinct and require different policy responses. Americans, meanwhile, worry about the nonchalant way in which some European governments treat the threat of WMD proliferation.

Apart from a new international context, the current set of transatlantic disagreements is also of a fundamentally different nature. The US and Europe used to squabble – mostly – over tactics, over balances to be struck, or because of competing commercial interests. To some extent this is still the case (see perennial transatlantic clashes over the Middle East or some trade disputes such as steel/FSC). But these days Europe and America are fighting mainly over the organising principles of the post-post-Cold War international order, over the role of international regimes and legal instruments, over the conditions and likely effectiveness of the use of force. In other words, what connects the dots between decisions on ICC, ABM Treaty, Kyoto Protocol, Bio Weapons Convention, Landmines etc. is that Europeans strongly believe that robust international norms and enforcement mechanisms are needed to tame ‘the passion of states’ and tackle common global problems. Washington, by contrast, sees these treaties and regimes at best as ineffective and at worst as an unacceptable constraint on US freedom of action.

On top of these underlying trends, there appear to be four proximate reasons for the current malaise in US-European relations.

1) The Israel-Palestine conflict.

The problem here is not that the US and the European governments are far apart, at least in their declared policies. The so-called Quartet, consisting of Secretary of State Colin Powell, the UN’s Kofi Annan, the EU’s Javier Solana and Russia’s Igor Ivanov, has just about succeeded in maintaining a common front. The different EU governments have their own emphases, but agree – as does the US State Department – on the fundamentals of what needs to be done: an exchange of land for peace. However, sharp differences within the US administration – with hard-liners such as

² See lecture by Richard Haass, ‘Charting a New Course in the Transatlantic Relationship, Centre for European Reform, June 10th 2002

Secretary of Defense Donald Rumsfeld talking of the ‘so-called occupied territories’ – have weakened the effectiveness of the Quartet.³

A more fundamental problem is that on this issue, unlike most others in transatlantic relations, public opinion cares deeply but thinks differently on each side of the Atlantic. Most Europeans consider the aggressive response of the Israeli army to the suicide bombers has made a bad situation much worse, and that the US is not putting enough pressure on Prime Minister Ariel Sharon to negotiate a final settlement. Most Americans support Sharon in his refusal to negotiate with Palestinians, so long as Israel is the victim of suicide bombings.

In 2002 there were some striking examples of public opinion influencing policy-making on the Middle East. In April 2002: the European Parliament passed (non-binding) motions calling for sanctions against Israel, while the Israeli lobby in the US forced George Bush to back down, after he had told Sharon to withdraw Israeli forces from Palestinian lands “without delay”.

Europe and America share a strong commitment to being democracies, which is a fundamental basis of the transatlantic relationship. But it can also produce difficulties: the more that public opinion influences policy-making on Israel-Palestine, the harder it will be for senior politicians in the EU and the US to maintain a common line on Israel-Palestine.

In the autumn of 2002, Tony Blair was one of the European politicians who urged the US to convene a Middle East peace conference. Although Secretary Powell had made the same suggestion in the summer, the White House was uninterested. And at the end of 2002, when the Quartet was backing the idea of publishing a ‘road map’ that would set out the stages by which the Palestinians would achieve statehood, Sharon intervened with President Bush to ensure that no road map appeared before the Israeli elections of January 2003. The White House also sought to alter the wording of the road map, to make it less favourable to the Palestinians – to the consternation of Annan, Ivanov and Solana. The more that Bush appears to indulge Sharon in such

³ See International Herald Tribune, 8 August 2002.

ways, the more likely are the Europeans to come up with their own, alternative peace plans. It is clear that in the absence of meaningful prospects for final status negotiations, the Israel-Palestine question will continue to pull the US and Europe in opposite directions – and therefore sour the overall relationship.

2) the Iraq crisis.

Every EU member-state supports the toughly worded UN resolution 1441. But this should not obscure the fact that European and American perceptions of the threat are very different. Most European leaders do not agree with Bush that Iraq is as big a danger to world peace as al-Qaeda. Unlike Bush and his advisers, they think that containment and deterrence should suffice to prevent Saddam Hussein from using his weapons of mass destruction against people outside Iraq. And they fear that a war against Iraq would absorb energy and effort from the war against terrorism.

Of course, the big European countries have had their own varied approaches to Iraq: the UK apparently prepared to support President Bush in any circumstances, France leading the effort to maintain the authority of the UN, and Germany refusing to take military action in any circumstances. Nevertheless public opinion across Europe is strikingly similar: it will only support a war that has a specific UN mandate. And despite the differing approaches of the British, French and German governments, most European leaders have a similar strategic objective: to keep the US within a multilateral framework.

Indeed, European leaders are so concerned about the danger of US unilateralism that they have been very accommodating with respect to the wording of resolution 1441. If in the end there is a war in Iraq, there is a fair chance that Britain and France will send troops to fight alongside the US. But Americans would be wrong to assume that the Europeans were sending troops because they share President Bush's perception of the danger of Saddam's WMD. They would be sending troops because they fear the consequences for the fabric of the international system of the US acting alone.

3) The widening transatlantic gap in military capabilities.

Throughout the Cold War and the decade which followed it, the ratio of defence spending between NATO's European members and the US was remarkably constant:

the Europeans spent about 60 percent of what the US spent. But that has changed in the last three years. The US defence budget has risen from \$280 billion in 1999 to close to \$400 billion in 2002, while European spending has been roughly constant.

Budgets are only part of the problem, for the Europeans continue to spend too much on yesterday's technologies and large, conscript armies, rather than new technologies and small, mobile forces. American commanders complain that it is becoming increasingly difficult to work with European troops. Following the experience of the Kosovo air campaign, during which the European performance was underwhelming, the Pentagon chose to run the Afghan war on its own terms.

4) The European failure to develop a credible EU foreign and security policy.

For some time, the EU has been trying to boost its international role and influence. However, neither the Common Foreign and Security Policy (CFSP), nor the European Security and Defence Policy (ESDP) has impressed the US much. Javier Solana, the High Representative for the CFSP, has earned some credit for his deal making in Macedonia and Montenegro. But the CFSP remains hamstrung by divisions among the member-states and the Brussels-based institutions.

As for the embryonic ESDP, any mention of it in Washington in recent years has been liable to provoke laughter rather than interest, let alone respect. The ESDP was supposed to take over NATO's peacekeeping job in Macedonia in January 2003. But an arcane Greco-Turkish argument about EU access to NATO assets blocked progress on the construction of the ESDP for two years (until December 2002). The gap between the proud rhetoric with which the Europeans launched the ESDP, and its hitherto unimpressive performance – especially its failure to get the Europeans to enhance their military capabilities – only reinforces the argument of those Americans who claim that the EU will never be a serious global player. Until the Europeans present a more coherent and effective CFSP or ESDP to the rest of the world, they cannot expect a huge amount of respect from Washington.

What to do?

How can Europe and America revive their relationship? American policy-makers need to remember that they cannot accomplish many of their global objectives – such as tackling terrorism, WMD proliferation, anchoring Russia in a West-leaning direction, or managing the integration of China into the global system, to name a few issues – without allies. And European countries, despite their evident flaws, are still the most like-minded allies with the greatest international clout that America is likely to get.

By the same token, European leaders should realise that unless and until the EU boosts its capacity to take meaningful actions and see them through, very few people in Washington are going to listen to European views.

Encouragingly, something close to a consensus is emerging across Europe, which argues that criticising US decisions – while justified – is not enough. Europe's own foreign policy performance must improve, for at least three reasons: to fill gaps that US grand strategy is leaving; increase the chances that important global problems get solved; and, perhaps eventually, get more respect for European views in Washington.

Below are some policy suggestions to stop the on-going cycle of transatlantic drift and recriminations. When assessing these policy prescriptions, it is important to keep in mind that better US-European relations have a value in themselves. But even more important is that if Europe and America pull in opposite directions, global problems simply do not get solved.

Four tasks for America:

1. Curb unilateral instincts.

First, Americans must reflect upon the consequences of the way in which they are pursuing their 'war on terror'. Immediately after September 11th there was widespread and genuine sympathy for, and solidarity with, the US. The French newspaper *Le*

Monde, hardly a bastion of pro-Atlanticist thought, published a now-famous leader ‘nous sommes tous américains’. But one year on, ‘much of the solidarity expressed for the US after September 11th has been whittled away’ as one senior European diplomat put it.⁴ Moreover, concerns about rising US unilateralism is not confined to Europe. Malaysian Prime Minister Mohammed Mahathir has suggested that America can ‘learn a lot’ from other countries’ when it comes to dealing with terrorism.⁵ Off the record, senior politicians are prepared to go further saying that America’s unwavering insistence that other countries accept international commitments while it insists that the US be exempt from as many constraints as possible, is turning the global war on terror into a line up of the ‘US against the rest of the world’.⁶

This assessment may be slightly exaggerated. But many Americans themselves have warned of the dangers of hubris, urging the administration to pay greater respect to concerns and views of important allies.⁷ Clearly America would be more secure and more effective in achieving its objectives if would evoke respect and trust, not just fear and resentment. One way to address the oft-repeated criticism that ‘America considers itself above the law’ would for it to sign up to some of the treaties (Bio weapons convention, UN convention on small arms, CTBT and so on) that it has spurned. The US often – and rightly – highlights the threat of weapons proliferation. But it is somewhat curious, and disappointing, that it is systematically refusing to support almost any multilateral regime with binding characteristics.

2. Give less money to defence and more to ‘soft security’ and diplomacy.

America must learn to spend more on the non-military side of international engagement. Many Americans themselves are alarmed at the imbalance between ever-rising defence budgets and ever-dwindling amounts for diplomacy – an imbalance they say has to be reversed.⁸ This is important per se, but also because budgetary decisions have real policy consequences. The US is coming dangerously close to the

⁴ See Time Magazine, 19 August 2002.

⁵ The Washington Post, 15 May 2002.

⁶ ‘Why don’t we listen anymore?’, Clyde Prestowitz, Washington Post, 7 July 2002.

⁷ See e.g. William Pfaff, Look who’s part of the harsh disorder, International Herald Tribune, 1 August 2002.

⁸ See Richard Gardner, The One Percent Solution. Shirking the Cost of World Leadership, Foreign Affairs, July-August 2000.

saying: 'if the only instrument you have is a hammer, all your problems start looking like a nail'. The budget requests that Bush sent to Congress in 2002 got the priorities exactly the wrong way around: defence spending went up by 14 percent while funding for 'soft security' (a wide-ranging category including civil reconstruction, mine clearing, technical assistance, police and judicial training and debt relief) remained the same, or was reduced.

3. Pursue a more active and balanced approach to Israel-Palestine.

The US should be more even-handed regarding the fledgling Middle East peace process. Most of the world outside the US and Israel thinks that the US is prepared to be tough on the Palestinians but not on the Sharon government. This perception has a huge impact on America's prestige and reputation, not only in Arab lands but all over the world. Tony Blair and other European leaders are right to point out that it would be much easier for the US to build a credible coalition against Iraq if at the same time it made a priority of advancing the Israel-Palestine peace process.

Americans tend to respond to European pleas for greater US involvement in peace negotiations by saying: 'But Europeans and Americans agree on how a final settlement looks like'. This is true – but no longer good enough. There is a compelling need to move rapidly towards implementation.

4. Don't go to war against Iraq alone, without an explicit UN mandate.

Finally, the US must think carefully about whether it is really prepared to wage a military campaign against Iraq on its own without a new and specific UN Security Council resolution. Ever since President Bush decided in September 2002 to seek a solution to the Iraqi problem through UN involvement, his administration has pursued a multilateral approach. But at the time of writing (late December 2002) it remained unclear whether there would be a UN-backed, US-led war; or a war without UN approval; or no war at all. Key administration officials and President Bush himself have said they are, if necessary, willing to go it alone. But they should perhaps ponder the track record of US military campaigns in the past 100 years: whenever the US has fought wars alongside other countries and for a goal that had widespread support, as it

did in WWI, WWII and the Gulf, the results have been an overwhelming success – both militarily and morally. But whenever the US has fought wars largely alone and without significant international backing, as it did in Vietnam, the outcome has been a disaster.

Four tasks for Europe:

1 Streamline decision-making and give Javier Solana more resources.

The EU must urgently improve its ability to act. As an immediate start, the EU should abolish the rotating presidency, which puts a different country in the EU's driving seat every six months. This ridiculous system has led to a serious lack of continuity and coherence. Frequently, the presidency cannot resist pushing their pet projects. Non-Europeans, and not just Americans, are right to criticise the change of priorities and personnel that this baffling system requires. Javier Solana, the EU's foreign policy chief, should represent the EU externally and chair the relevant meetings of foreign ministers.

The decision-making process also needs to become smoother, especially if the EU is to avoid total paralysis after enlargement. Enlargement will bring in ten new countries probably as early as 2004 – each with its own peculiar views and domestic lobbies. Without reforms, enlargement will make a bad decision-making system even worse.

There are two possible solutions. First, the EU should learn to overcome its obsession with unanimity. Too often the consensus fixation is producing mushy and anodyne positions that nobody wants but everyone can accept. The EU's treaties already allow implementation decisions to be taken by qualified majority voting (QMV). Radically broadening the scope for more QMV will lead to opposition from countries such as France, Britain Denmark and others. But at least the EU should use those provisions that already exist in the treaty to bypass the ability of one or a few member-states to delay, or water down, proposals that the vast majority of other member-states supports.

Second, the EU should use more informal leadership coalitions. In foreign policy – as

in other fields – an enlarged EU will have to find ways of allowing different leadership coalitions to emerge, and pull the whole Union forward. Some smaller member-states will not like this idea. They see it as a threat to their treaty-guaranteed position. But the alternatives are constant drift and deadlocks, because the big countries cannot agree amongst themselves. Or if they do agree, a raw *directoire* outside EU structures. Informal leadership coalitions are the best way out.

By all accounts, Solana has been a great success. He has put the EU on the map, in the Balkans, the Middle East and elsewhere. The time has come to give him a formal right of initiative. Doing so would put him at the same level as the Commission and the member-states. It is clear that EU foreign policy would be more impressive if all sides worked better together – and if the EU could take decisions more easily. One way to achieve both these objectives would be to promote more joint initiatives. The EU should decide that if the High Representative and the Commissioner for external relations agreed on a joint proposal, then EU foreign ministers should accept it if a qualified majority voted in favour. Because Solana has such excellent links with the capitals, he would filter out any idea that he knew was too controversial. Similarly, involving the Commission at an early stage in the policy process can ensure that its extensive resources are used to support the EU's diplomatic strategy.

In any case, Solana needs more resources. The EU needs to triple the CFSP budget – to the still modest sum of €120 million. EU leaders routinely say they want Europe to assert itself more strongly on the global stage. But then they balk at the financial consequences. Clearly, the EU cannot develop a credible foreign policy 'on the cheap'.

Solana also needs more people working for him. In the short term this means stationing more national diplomats in Brussels. In the medium term, the EU should create its own diplomatic service. EU diplomats should shuttle between the Brussels, the capitals and the Commission delegations outside the EU. They should gradually take the lead in blending national perspectives on international problems. Developing shared analyses is the best way to ensure that member-states also agree on the necessary policy responses.

2 Ensure better co-ordination across the whole range of EU external actions.

Most criticisms of EU foreign policy focus on the divisions among the member-states. It is true that on many issues the member-states do not agree. But divisions among the EU institutions are equally damaging, and receive much less attention. Existing institutional arrangements for running EU foreign policy are confusing and overlapping. Responsibilities and resources are split between the Commission, the Council and the member-states. As a result, the proverbial left hand often does not know what the right hand is doing. Therefore, the EU should work harder to guarantee that its policies on trade, aid, justice and home affairs and the environment are explicitly linked to the Union's foreign policy objectives.

The EU also needs to overcome the split between the supranational and the inter-governmental side of external policy, headed by Patten and Solana respectively. There is too much distrust between both bureaucracies. Some, like Commission President Romano Prodi, have suggested that the jobs of Patten and Solana should simply merge and that the Commission should have the same role in foreign policy as it currently has in the single market.

Clearly, most member-states are opposed to such radical ideas. Foreign policy questions are simply too sensitive. But one intermediate step that should gain wide support is for the next Commissioner for External Relations to be the deputy to the next High Representative. Mr CFSP should also take part in Commission meetings that deal with foreign affairs, while the Commissioner for External Relations should go to most meetings of the Political and Security Committee (the EU body of national diplomats that runs CFSP on a day-to-day basis). Another deputy ('Mr ESDP') could look after defence matters, not least to beef up Europe's underwhelming military capabilities.

3 Make financial assistance more targeted and conditional.

Every year the EU spends a lot of money abroad. But too often EU foreign policy consists of handing out money without a political strategy. Now the EU should learn to leverage its financial assistance, linking trade privileges and aid to clear

commitments from the recipient countries to promote political and economic reforms. Linking aid flows to standards of good governance is of course sound advice from a development perspective. But more importantly, it is also good security policy. Since September 11th it is clear that messianistic terrorism is fed by wells of hatred and disaffection throughout the greater Middle East and beyond. In turn, such anti-Western feelings are linked to sclerotic political systems which encourage religious and political extremism. For too long Western policy has been reduced to a choice between backing either the authoritarian regimes – or letting in the Islamic fundamentalist opposition. Forced to choose, the West has preferred corruption to chaos. Both Europe and the US should now make the modernisation of the greater Middle East a top priority. The EU has plenty resources but it must learn to make its financial assistance more targeted and conditional. For example, projects that promote new channels of opposition, such as independent media or human rights groups, must receive a greater share of EU aid. The West has done the same – and with much success – in Eastern Europe during the Cold War.

With governments, the EU should be firmer in insisting that promised reforms take place. All the EU's 'partnership' or 'association' agreements with third countries contain clauses on respect for human rights, political pluralism and standards for good governance. These agreements should give the EU considerable influence, but ultra-cautious member-states are too reluctant to invoke these clauses. For example, France has at various times prevented the EU from getting tough with Algeria and Tunisia, despite these countries' poor human rights record.

The EU should have the courage to link non-compliance with concrete actions, such as the postponement of new projects, suspension of high-level contacts or using different channels of delivery (relying on independent NGOs instead of government-run organisations). Using a benchmarking process, EU foreign ministers should reward those countries that have made progress, while punishing others that have failed to comply with the standards they themselves have pledged to uphold.

4 Enhance European military capabilities.

European governments urgently need to spend more on areas such as communications, precision-guided munitions, air-lift, tanker aircraft, unmanned aerial vehicles and the suppression of enemy air defences. And they need more troops that can engage in high-intensity warfare outside Europe. EU officials involved in the so-called 'European capabilities action plan' claim that this process is making a difference. However, so far ESDP has not brought about a much-needed step-change; for the past two years German hesitations have delayed the signing of a contract for the production of the A-400M transport plane.

The decisions that leaders took at NATO's Prague summit in November 2002 may mean that where the EU has failed to boost European military capabilities, NATO may succeed. The NATO heads of government approved eight specific capability goals, to replace the 58 goals of the earlier Defence Capabilities Initiative – which were too many to take seriously. And particular governments have agreed to take responsibility for the implementation of each of the eight goals. It was encouraging that groups of NATO governments signed up to some hard numbers, such as the procurement of 15 refuelling aircraft, and a 40 percent increase in satellite-guided bombs. Furthermore, the NATO countries – finally – agreed to develop a fleet of airborne ground surveillance aircraft.

The Europeans should also explore the pooling of capabilities much more boldly than they have done so far. In areas such as air transport, the maintenance of fighter aircraft, medical facilities and the delivery of supplies, there is much money to be saved through the creation of pooled operations.⁹

It has become a cliché to argue that it is more important for the European governments to spend defence budgets more wisely than to spend more. As with most clichés this one has a large element of truth in it. Nonetheless, to show American policy-makers that European foreign and security ambitions are serious, all EU countries should aspire to spend 2.5 percent of their GDP on defence (the current British and French levels), while 20 percent of their defence budgets should be spent on procurement and R&D.

Conclusion

Europe and America face a clear choice. They can either continue with the bickering and the backbiting. Or they can decide that the world badly needs an America that is willing to listen and a Europe that is able to act.

Steven Everts and Charles Grant, Centre for European Reform, London, December 23rd, 2002.

⁹ Tim Garden and Charles Grant, "Europe could pack a bigger punch by sharing", Financial Times, 18 December 2002.