Future of Transatlantic Relationships in the coming decade

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The transatlantic relationship, based as it has been for the last sixty years on the Atlantic Alliance, is one of the most durable, effective and successful networks of largely like-minded and democratic countries in modern, if not in recorded, history. It never had to fight a war; but it did emerge from the Cold War, which it was established to handle, with its security interests intact and with its basic objectives of democracy and prosperity based on free market economies embraced by most if not all of the members of its former adversary, the Warsaw Pact. It is an astonishing success story – all the more astonishing when you consider the economic and political prostration of its European members in the aftermath of the Second World War – and we should never forget that as we peer, a little nervously perhaps,

into the future over the next ten years. But, before doing that, a glance at the past record of that transatlantic relationship could help us see ahead. If you want to know where you are heading, it is normally wise to have some idea about where you have come from and where you are now.

As the Cold War, which ended nearly twenty years ago, recedes into the mists of history, it is all too easy to see the transatlantic relationship of that Cold War period bathed in a golden glow of unity and shared purpose. But that would be a mistake. There were in fact quite sharp disagreements between the two sides of the Atlantic during that period – look at the bitter dispute between the US and the then two predominant European powers, Britain and France, at the time of the Suez crisis in 1956; look at the effectively hostile neutrality of the Europeans during the Vietnam War; the tensions over the stationing of intermediate range nuclear missiles in Europe and the arguments

over the construction of the first major gas pipeline from the Soviet Union to the West in the early '80's. And that is without taking into account the more routine disagreements, over trade policy and tariffs, over civil aviation and shipping, which are endemic in any group of market economies. All those episodes put the transatlantic relationship under serious strain. These were not just spats between governments, they were accompanied by quite serious surges of anti-American sentiment in Europe and by considerable anti-European feeling in the US. But it is the case that, during the Cold War period, governments on both sides of the Atlantic remained absolutely determined not to let these disagreements get out of control and not to let their foreign policies drift apart. The existential nature of the confrontation with the Soviet Union provided a glue capable of resisting the worst strains to which it was subjected.

When the Cold War ended everything changed in the world of diplomacy and international relations. The threat of Mutually Assured Destruction was lifted. The United Nations' Security Council began to function as it had originally been intended to do, and rapidly reversed an act of aggression by Iraq against Kuwait. Many of the leading powers handed themselves substantial peace dividends by cutting their spending on their armed forces and armaments. At first transatlantic relations were less affected than many other parts of the international scenery. The Europeans and the first Bush administration found much to agree about and little to disagree about. A US administration which favoured strengthening multilateral organisations, coalition building, moves towards nuclear arms control and disarmament and freer trade was welcome, even if George Bush Senior's somewhat hubristic claim that we were on the verge of a "new world order" turned out to be wide of the mark. But then, as the clouds darkened and the wars of the

Yugoslav Succession engulfed the Balkans, it became clear that the Cold War glue which had held the alliance together in bad times as well as good was no longer working. Tensions rose over the handling of the Bosnian crisis. In retrospect one can see that both sides were partially to blame, the Europeans for failing for a long time to recognise that only force would check Milosevic's ambitions for a Greater Serbia, the US for leaving the Europeans in the lurch to handle a crisis which was beyond the capacity of their still pretty fragile unity and foreign and security policy machinery. But eventually those rifts were healed, and the process culminating in the Dayton peace agreements and the management of the Kosovo crisis saw the transatlantic relationship working again relatively smoothly.

This harmony did not last long; and the next series of shocks, which began with the arrival of George W Bush in the White House and the 9/11 disaster proved much more damaging to the

fabric of transatlantic relationships. A US administration, which regarded unilateral action as the norm and cooperation with multilateral organisations as an optional extra seemed set on abusing the unipolar predominance which had accrued to it quite fortuitously from the ending of the Cold War and the break-up of the Soviet empire and Union. The cavalier dismissal of the Kyoto Protocol on climate change and the International Criminal Court, coming on top of the rejection by the Senate under the previous administration of the Comprehensive Test Ban Treaty, was followed by the invasion of Iraq which split the transatlantic alliance as it split Europe. Public opinion hardened in many European countries into attitudes which were antagonistic to US foreign policy aims and actions and which in some cases shaded off into outright anti-Americanism. Even the laudable attempts during President Bush's second term to bind up some of those wounds and to mend fences has been only partially successful, as can be seen reflected in the many public opinion polls which

reveal that the US is regarded by many as a major threat to international peace and security. So the overall judgement has to be that, as the new President enters the White House on 20 January of next year, transatlantic relations are not in great shape, albeit somewhat less fractious than they were in the immediate aftermath of the invasion of Iraq in 2003.

So what should be expected now? And how much does it matter? The short answers to these questions is to the first "Less change than you might think and even hope for" and to the second, "It still matters a lot". I will try to explain. For one thing the expectations of US foreign policy change in Europe and more widely are clearly excessive and the disappointment of those excessive expectations could well bring quite strong negative reactions. Both candidates took a tough line on pursuing the war in Afghanistan, on stamping out Al Qaeda, on preventing Iran getting a nuclear weapons capability and on

dealings with Russia. That implies a broad US consensus on these policies. So the Europeans will find themselves needing to take difficult decisions in all these fields. Then, secondly, through the rainbow rays of Europe's Obamamania there has been a reluctance to focus on aspects of that candidate's policy which are at odds with Europe's, for instance on trade policy. And, thirdly and probably most significantly, no-one has yet factored in the extent to which the current financial crisis, now turning on both sides of the Atlantic into an economic recession, will distract the new President from foreign policy priorities and absorb much of his available political capital and time. None of this is intended to mean that there will not be changes in US foreign policy which will be welcome to Europeans and which are thus likely to strengthen transatlantic relationships. A more constructive attitude towards multilateral organisations and a more purposeful effort towards their reform; whole hearted involvement in the efforts to head off climate change; a renewed

and strengthened input into the Middle East Peace Process; the revival of initiatives aimed at moving towards multilateral nuclear disarmament; all these and more should provide welcome material for transatlantic cooperation. But patience and perseverance will be required every bit as much as enthusiasm and inspirational speeches.

And then there is the "how much does it matter" question about the transatlantic relationship. The commentariat is in full flight pursuing what is called a global shift in power and influence from West to East. The rise of China and India and the likelihood that they will become major world players not only economically but also politically and in security issues is now taken for granted and assumed to be happening virtually overnight. Why should the US worry about a Europe, often seen as obsessed with its internal organisation, incapable of taking tough decisions or of backing them up when it does take them, and stuck in a process

of relative decline? Well, for one thing the shift from West to East tends to be grossly overstated and over-accelerated. I can still remember when I was posted to our embassy in Washington in the early 1980's being told that Europe no longer counted to the same extent in US calculations, that the Pacific Rim and in particular Japan represented the work of the future. Neither of those confident geo-strategic predictions came to pass, at least in the time-frame predicted. The fact remains that Europe is the single most like-minded grouping of countries so far as the US is concerned, and that the existing common ground on a whole range of policies between the US and Europe is greater than with any other part of the world. And the negative side to the equation is also important. When the two sides of the Atlantic get at cross purposes they have a considerable capacity to frustrate each other's best laid plans and to produce negative outcomes all round. Just look at the cases of Bosnia and of Iraq or at climate change and UN reform. Of course changes in

power and influence in what is now no longer a bi-polar or a uni-polar world but a multi-polar one are taking place all the time and each side of the Atlantic's priorities and policies need to be adjusted to take account of those shifts. But Europe and North America do still matter to each other a great deal and will continue to do so in that decade to which I have been invited to look ahead.

So much for the history and the generalities; but what about the specifics of the policy challenges which will face both the US and Europe in the coming decade and the responses to which will determine whether transatlantic relationships prosper or decay? It is surely clear by now that what we face is a good deal closer to new world disorder than to that new world order which the first President Bush so unwisely, or at least prematurely, proclaimed in the early 1990's. So the number of those challenges is considerable; their complexity and

interconnectedness is undisputed; and the solutions to them in a globalised world have to be global ones if they are to be effective and equitable.

Let us start with climate change. In the last year or two there has been a considerable coming together of the hitherto highly fissiparous international community. The two main developed country hold-outs on Kyoto, the US and Australia, were able to join consensus at the Bali conference last December and agree a road-map for reaching post-Kyoto decisions at the end of 2009. The main developing countries have ceased to treat climate change as a developed country fad, caused by those countries and to be solved by them alone. But a long way remains to go before adequate decisions are taken; and the obstacles on the way are formidable. Above all reaching agreement on burden-sharing between developed and developing countries is going to be horrendously difficult and contentious. And now the world

financial crisis is giving rise to siren voices saying that action on climate change cannot be afforded in the short term and must be postponed until better times return. No advice could be more unwise. Both the scientific and the economic calculations demonstrate that decisions postponed will mean more pain in the long run even if we do not, as some believe we would, pass the point at which seriously damaging climate change becomes irreversible. Now clearly the two sides of the Atlantic cannot and should not attempt to decide these matters on their own; but if they cannot establish sufficient common ground and genuine burden-sharing between the developed countries then there is no hope for an overall deal.

Then there is trade policy. The deadlock that was reached in the Doha Development Round of global trade negotiations last summer in Geneva was lamentable and one has to ask whether the disagreement between the US and India over safeguard

mechanisms for agricultural trade, which was the proximate cause of the deadlock, really justified throwing away the opportunity of a deal before the US election. But that is where we are now; and the global financial crisis has considerably raised the stakes. We should never forget that what turned the financial crisis of 1929 into a world depression with disastrous knock-on political consequences were the protectionist trade measures enacted by Congress in the Smoot-Hawley legislation and then replicated by the European powers. Avoiding a repeat of that performance is critical; and that means not simply avoiding new protectionist measures but pressing on with trade liberalisation. It is the series of trade liberalisation negotiating rounds which have helped to increase world prosperity over the last fifty years and which have ensured that each recession has remained relatively shallow and short-lived. On both sides of the Atlantic there are forces which would gladly see the back of the Doha Round. The challenge we face is to ensure they do not

prevail and that the round is successfully completed and implemented without undue delay.

No challenge currently faced by the international community exceeds in urgency and complexity that from the potential proliferation of nuclear weapons. The Nuclear Non-Proliferation Treaty, which is one of the cornerstones of global collective security, is under severe strain, most immediately from the policies of North Korea and Iran but far more widely than that if the efforts to prevent these two countries holding the capacity to deploy nuclear weapons were to fail. When the Non-Proliferation Treaty was first negotiated in the 1960's it was confidently predicted that more than twenty countries could be in possession of nuclear weapons within a relatively short period of time; as of now the number is in fact eight (five of whom already had them when the Treaty was signed), with a question mark over North Korea – a massive achievement. But we stand on the threshold

of another such moment of high risk. There is no conflict of interest between the two sides of the Atlantic on this issue but there very well could be over the ways and means of dealing with it, particularly if diplomatic solutions were to be abandoned or blocked and the US were to advocate the use of force against Iran or were to acquiesce in Israel doing so. Much will depend on the seriousness and the perseverance with which a diplomatic solution is sought by a new US administration and on its willingness to talk directly to the Iranian regime as it is already doing to North Korea with some partial success. There will probably need to be both more carrots and more sticks in the form of more severe economic sanctions before a successful outcome can be achieved. But it will also be important for all five recognised nuclear powers to resume the moves toward nuclear disarmament to which they committed themselves at the 1995 and 2000 Non Proliferation Treaty Review conferences. Without that the basically discriminatory nature of the treaty

rules could become unsustainable and the 2010 review conference is likely to end in a fiasco like its 2005 predecessor instead of providing for the essential strengthening of the non-proliferation disciplines which are so urgently needed if the world is not to run unacceptable risks from the spurt in civil nuclear power generation which is being stimulated by the need to cut carbon emissions. The much needed renaissance in multilateral nuclear disarmament will crucially depend on negotiations between the US and Russia which hold some 95% of existing warheads; but it will also require the participation of Europe's two other nuclear weapons states, Britain and France.

Neither the US nor the European Union has at present an effective range of policies towards the newly re-assertive Russia led by the Putin / Medvedev duo. Finding such a range of policies is already a high priority for the European Union; and it will be so for the new US administration. The scope for a

mismatch in policies between the two is clearly considerable and the Russians will of course hope to divide and rule. It will be important to avoid the two extremes of, on the one hand, pushing a straightforward Cold War policy of containment and, on the other, one of appeasement of Russia's stated aim of operating a sphere of influence over the independent states which formerly were part of the Soviet Union. Tricky issues over the deployment of anti-missile missiles and over the relationship of these states to the EU and to NATO will need to be addressed in a sensitive, careful but firm manner. It will surely be in the interest of both sides of the Atlantic to draw Russia further into multilateral disciplines, for example by completing its accession negotiations to the World Trade Organisation and by involving it fully in the post-Kyoto arrangements for dealing with climate change. The respective relationships of the US and the European Union with Russia is probably one of the areas most

likely to give rise to friction and tension between the two sides of the Atlantic.

And then there is the Middle East Peace Process, currently in a relatively quiet phase, with negotiations continuing in a desultory way between Israel and the Palestinians and with a ceasefire in Gaza. But that lull is both fragile and likely to be short-lived. Once new administrations are in place in the US and in Israel benign neglect will no longer be a viable option. Past experience with US-administrations of giving the Middle East Peace Process a relatively low priority in its early years is only too likely in this instance to produce damagingly negative consequences not only in Palestine itself but more widely in Lebanon, in Iraq and in the struggle against terrorism. We must hope that the new US administrations will see the urgency of re-vitalising the peace process and will act accordingly; and that the Europeans will play a more pro-active and effective role than they have done in the

past. Here too there is the risk of some friction between the two sides of the Atlantic but this will be as nothing to the friction that could arise from US inaction. The need for a process which will bring Hamas within its ambit is obvious but difficult to achieve. What can be said is that the present policy of boycotting Hamas and posing a long list of conditions it has to meet is leading nowhere.

You may have noticed that one common thread that runs through many of the areas I have reviewed is the need for what the Europeans called in their 2003 European Security Strategy "effective multilateralism", that is to say not just multilateralism for its own sake but systems of global governance that actually work and which address the main challenges we all face. No-one could reasonably argue that the multilateral organisations which we currently have are functioning as well as they could or should do – the Europeans need to recognise that. But nor would it

make sense to scrap or weaken those organisations and to head off in search of something entirely new, for example the deeply flawed concept of a League of Democracies which would risk dividing the world into democratic sheep and undemocratic goats without increasing the legitimacy, legality or operational effectiveness of the solutions we were pursuing. Any effort to make multilateralism more effective will have to include some considerable re-tasking of the International Monetary Fund to ensure that the problems which caused the recent financial crisis do not recur; it will need also to include the UN, not only the need to enlarge and make the Security Council more representative, but also to make an operational reality of the "responsibility to protect" which was endorsed by the 2005 UN Summit but which has remained since then little more than words on paper; and it will need to include the establishment of a UN agency or organisation to help implement the commitments contained in any post-Kyoto package of climate change

measures. Institutional changes of this sort will set up plenty of transatlantic tensions, between the European desire to see a rules-based world and US endemic exceptionalism. But the hard fact is that, if these tensions cannot be kept under control and resolved in a pragmatic, case-by-case manner then each side of the Atlantic will end up by weakening and even frustrating their common objectives.

The transatlantic menu I have sketched out for the decade ahead is a massive and difficult one. It will need to be managed without the benefit of that invaluable Cold War era glue. Where differences cannot be resolved – and there will be cases of this – they will need to be handled in a less cavalier and confrontational manner than has been the case in the recent past or the whole transatlantic agenda will be damaged. Success in dealing with this agenda will not of course guarantee overall success at the global level since there are so many other,

increasingly important, players whose interests have to be taken fully into account. But failure will seriously perhaps mortally damage any hopes of finding global solutions to the global challenges all our countries face.

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