

# The European Union's Transatlantic Relationship

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# **The European Union's Transatlantic Relationship**

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## About the Author

Dr. Günter Burghardt served as the European Union's Ambassador in Washington, DC, from 1999 to 2004. Earlier, he had held positions at the European Commission as Political Director and Director General for External Relations as well as Deputy Chief of Staff of Commission President Jacques Delors. Dr. Burghardt teaches as a guest professor at the College of Europe in Bruges and at the European Institute of the Law Faculty of Ghent University. He joined the transatlantic law firm of Mayer, Brown, Rowe & Maw LLP as a Senior Counsel.

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## **Abstract**

Since its inception post-World War II, the European unification process has been embedded within a strong transatlantic dimension [Marshall-Plan, Truman/Eisenhower/Monnet, Kennedy/Hallstein]. Today, the EU-US relationship is still the most powerful, the most comprehensive and the strategically most important relationship in the world: most powerful because the EU and the US combine some 60% of the world's GDP, with the EU having overtaken the US numbers of around US \$10 trillion recently. They represent around 40% of world trade in goods and even more in services. They hold 80% of the global capital markets. They are each other's main trading partner and source, as much as recipient, of foreign direct investment. Most comprehensive because there is scarcely an issue that does not involve the transatlantic relationship – from Afghanistan to biotech, from WTO negotiations to counter-terrorism, from data privacy to aircraft – the EU and US are involved bilaterally, regionally or globally. Strategically most important because Europe matters to America, and America matters to Europe, because of major converging concerns, largely compatible values and over-lapping interests. The EU and the US share common objectives with regard to coherent strategies for the promotion of peace, stability and economic development around the globe. There is – in the short and medium term – no alternative to the EU-US relationship.

## The Three post-World War II Phases of the Transatlantic Relationship

'Europeanism' and 'Atlanticism' do not stand in opposition to each other. European integration and transatlantic cooperation constitute a synergetic unity. A capable unified Europe strengthens the transatlantic relationship and can support the US. A weak, divided Europe, however, weakens the transatlantic partnership and with it the US. A balanced transatlantic partnership does not require 'less' America but 'more' Europe. It needs a less 'imperialistic' America and a more efficient, more 'relevant' Europe. On the one hand, the EU has to reinforce its institutional and operational capacities to strengthen its role as an efficient international actor. On the other, the US has to unambiguously reach out to the EU as a collectively respected partner. The EU and the US would both benefit from a dialogue on their respective security strategies, including a common threat analysis, and a genuine effort to close the gap between the US doctrines of preemption and preeminence and the EU doctrine of effective multilateralism. The overriding objective should be a fully complementary and internationally legitimized conceptual and strategic approach in the fight against terrorism. Meaningful EU-US consultations should precede and, wherever possible, be followed by joint action based on the complementarity of US and European 'tool boxes' combining hard and soft power. There would be no America without Europe and there would be no free, prosperous and united Europe without America. Together, Europe and America can achieve almost anything; divided, they risk failing in many things: "When we quarrel we make headlines, when we work together, we make progress!"<sup>1</sup>. A solid, well functioning transatlantic relationship remains indispensable to tackle current economic and security challenges. Both sides should effectively take the next decade of transatlantic partnership forward, politically by updating the New Transatlantic Agenda, and economically by working towards a barrier-free transatlantic economic area. The next transatlantic change-overs in 2009, when the inauguration of a new US President will coincide with a renewal of key EU institutions, could provide an opportunity for such a truly comprehensive review of the 'state of the (transatlantic) union'.

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<sup>1</sup> Former Secretary of State Colin Powell during the EU-US Ministerial meeting at the Department of State on 18 December 2002.

Transatlantic relations are based on two pillars: NATO and the bilateral relations between the European Union and the countries of North America – the US, Canada, and, with regard to NAFTA, Mexico – with the EU-US partnership occupying a pivotal role. Any review of the European Union's external relations would be incomplete without discussing the vital partnership between the EU and the United States of America, the oldest and strategically most important chapter of the EU's gradually and painstakingly evolving external policies. This is of course based on the close historical and cultural roots and affinities between the 'old' and the 'new' world: not only is 'America a child of Europe' (Hallstein), and are 'America and Europe family' (Einstein), but the US also stood at the cradle of the very beginnings of Europe's post World War II (WW II) unification process.

The EU-US partnership is the backbone of any EU foreign policy strategy although the transatlantic relationship over the past 50 years went through ups and downs hitting occasional bumps in the road. The recent most profound crisis over America's unilateral decision to wage all out 'war on terror', based on President Bush's polarizing neoconservative doctrine of 'prevention, preemption and preeminence', the extensive reliance on US military power, his 'axis of evil' rhetoric leading to the invasion of Iraq and the overly simplistic approach to the complexity of Middle East policies, has put an unprecedented strain on the relationship. However, the partnership between Europe and the United States must endure, not because of the immense achievements in the past, but because the common future depends on it. Thus the recent divide did not arise because of poor atmospherics or miscommunication. It arose because of one side taking action strongly opposed by the other, or declining to join in actions that the other strongly favors. Unilateral American policies sparked divisions among Europeans. European distrust, in turn, convinced American neoconservatives of the need to impose their agenda and to divide Allies into 'those who are with us and those who are against us', through 'coalitions of the willing', not of the convinced.

In hindsight transatlantic relations can be divided into three broad phases: (1) from the early beginnings in the late 1940s to the end of the Cold War in 1989; (2) from 'Eleven/Nine', 1989, to 'Nine/Eleven', 2001; and (3) from post-September-Eleven to today's era of New Realism. During the entire period, a transatlantic agenda emerged, reflecting both Europe's ever stronger capabilities as well as its apparent

deficiencies. Dozens of sector or issue specific agreements were reached representing an impressive transatlantic *acquis*. While so far an overarching EU-US Partnership Treaty<sup>2</sup> has not been a realistic option, the mechanics of transatlantic dialogue and consultation have gradually been agreed upon, with the Transatlantic Declaration of 1990 and the New Transatlantic Agenda of 1995 codifying the main institutional arrangements and principle fields of cooperation and common action. In addition to that, cooperation did not just cover bilateral matters, but was extended to the many international fora, from the WTO, the UN family of organizations to the G-8, and ultimately NATO, in line with the EU's evolving international role and capabilities.

The unprecedented coincidence in transatlantic change-overs in the autumn of 2004, with the Barroso Commission starting on 1 November, the re-election of President Bush for a second term on 2 November, and a newly elected European Parliament and US Congress, provided a unique opportunity to reenergize the transatlantic agenda on the basis of a return to some degree of normality. Already during the three summits of June 2004<sup>3</sup>, the working atmosphere had been characterized by a noticeable change of tone. From its very start, the second Bush Administration signaled an end to its tactics of polarization, in particular with regard to the European Union, as the traditional 'indispensable partner' of the 'indispensable nation'<sup>4</sup>. US military overstretch, soaring financial cost and budgetary deficits, moral discreditation and a crisis of legitimacy of US international action relying on the use of military power with no solution to the new threats in sight became the driving forces in favor of the search for New Realism.

President Bush's visit to the European institutions in Brussels in February 2005, President Barroso's early invitation to the White House on 18 October 2005, and the EU-US June

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<sup>2</sup> An idea supported at regular intervals by the European Parliament, and more recently developed in the reports by Elmar Brok *On improving EU-US relations in the framework of a Transatlantic Partnership Agreement* of 8 May 2006 (A6-0173/2006), and by Erika Mann *on EU-US Transatlantic Economic Relations* of 20 April 2006 (A6-0131/2006).

<sup>3</sup> The G8 Summit under US Chairmanship in Sea Island, Georgia; the annual bilateral EU-US Summit in Dromoland Castle, Ireland, under Irish EU Council Presidency; and the NATO Summit in Istanbul, Turkey.

<sup>4</sup> America, the 'indispensable nation' is a term coined by President Clinton and generally attributed – and often used – by Secretary of State Albright. Portraying the EU as the 'indispensable partner' is an intellectual liberty of my own making, much to the satisfaction of Madeleine Albright with whom I was proud to enjoy many stimulating conversations and a personal friendship throughout my term in Washington, DC.

2005 Washington and June 2006 Vienna Summits, have put the broad EU-US agenda with its strategy, foreign policy, economic cooperation and global issues chapters back on track. On the institutional side, however, it appears questionable at present whether public doubts in the acceptance of US leadership and recent set-backs in further European integration with the ratification of the EU's Constitutional Treaty on hold, will allow major advances in updating the ten years old New Transatlantic Agenda into a new partnership agreement or transatlantic 'declaration of interdependence'. Looking further ahead, a new opportunity might be provided by the next transatlantic change-overs in 2009. A new US Administration, together with the renewal of EU institutions, important ongoing changes in member states' political leaderships and, hopefully, the implementation of major reinforcements in the EU's foreign policy machinery could create the much-needed momentum leading to a thorough update of transatlantic mechanisms and agendas.

*From the Early Beginnings to the End of the Cold War (1947 to 1989)*

From its inception, the process of European integration had a transatlantic dimension. Europe's 'founding fathers' revolutionary post-WW II project aiming at replacing a failed system of absolute national sovereignty by a community of nation states pooling sovereignty through common rules and institutions had the full support of the United States, in the spirit of the 'founding fathers' of the American Constitution of 1787.

In contrast to the end of WW I, the US assumed the role of an active, protecting power and a mediator in Europe, and for that purpose remained present as 'a power in Europe' without being a European power. Reconstruction and stabilization of Western Europe became an indispensable building block of the US doctrine of containment and dissuasion of the communist threat. From the Truman/Eisenhower/Monnet via the Kennedy/Hallstein, the Reagan/Bush/Delors interaction up to the Clinton era, the US had been instrumental in supporting the evolving concept of an organized and structured transatlantic relationship based on a military alliance, NATO – with the US as the dominant member –, and on an evolving European Community-US partnership with the emerging 'New Europe'.

The Marshall-Plan (1947) helped the devastated European economies to recover. Schuman and Monnet closely cooperated with the Truman and Eisenhower

Administrations based on their common World War II experience. George Ball, an American lawyer and later Undersecretary of State under Kennedy had an office at the 'Commissariat au Plan' advising Monnet on the European Coal and Steel Community Treaty.<sup>5</sup> The US in the last year of the Truman Administration was the first third country to provide the ECSC with formal international recognition when Monnet received a dispatch from President Truman's Secretary of State Dean Acheson<sup>6</sup> on his first day in office as President of the ECSC's High Authority.<sup>7</sup> President Eisenhower followed up in 1953 with the accreditation of a US Ambassador, the first full diplomatic representative ever to a European institution.<sup>8</sup> Monnet reciprocated by opening an ECSC information office in Washington DC in 1954<sup>9</sup>, partly to offset US disappointment over the failure of the European Defence Community in the French Assembly which had strong US support. The regular visits of the first President of the

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<sup>5</sup> Georges Ball describes his close relationship with Jean Monnet and his active involvement "as a private American lawyer" with the Schuman Plan negotiations in a detailed chapter of his memoirs: *The Past Has Another Pattern*, Norton, New York, 1982, Part Three, pp. 69 to 99.

<sup>6</sup> Dean Acheson's memoirs: *Present At The Creation*, Norton, New York, 1969, is another invaluable source of information about the US role as a deeply dedicated 'midwife' during the early stages of European unification.

<sup>7</sup> This was the first formal diplomatic note addressed by a foreign government to a European Community institution. The written statement to the effect that the United States henceforth intended to deal with the ECSC High Authority on all matters of its competence constituted the first act of international recognition by a third country.

<sup>8</sup> David Bruce, the first US Ambassador accredited to the European Coal and Steel Community, was a top professional diplomat with a uniquely distinguished career, having been Ambassador to Paris, London and Bonn. His almost daily reports to the State Department and to the White House about the implementation of the ECSC Treaty and the ongoing negotiations on a European Defence Community form a remarkable part of any archive about Europe's early days. During my term a full documentation was assembled at the European Commission Washington Delegation offices, drawing from the State Department and Library of Congress archives as well as from documents collected by the Universities of Georgetown (where Hallstein had delivered a series of lectures explaining the European process), Princeton and Yale.

<sup>9</sup> This office started operating initially from within the premises of George Ball's law firm and was directed by a locally hired American journalist. Monnet thought that explaining the complex process of European integration to American decision makers was best done by an American. Over the decades the office evolved into a fully fledged "Delegation", as the Commission preferred to call what is today a de facto European Union Embassy. Since the early 1990s, the Head of Delegation has the status of Ambassador accredited to the US President. In May 2004, on the occasion of the Schuman Day and of the EU's historical eastern enlargement, the fiftieth anniversary of European presence in Washington was celebrated in the Benjamin Franklin rooms of the US Department of State with speeches by Secretary Colin Powell and myself to mark the event (see [www.eurunion.org/delegati/040506gb.htm](http://www.eurunion.org/delegati/040506gb.htm)). For the first time ever the European Union anthem was played in those official reception rooms, and a US Secretary of State paid tribute to the blue flag with the twelve golden stars at his headquarters. We ended the ceremony wishing that Benjamin Franklin's 300th birthday in 2006 might coincide with the entry into force of the first EU Constitutional Treaty, accompanied by a solemn declaration on the transatlantic relationship.

European Commission Walter Hallstein to Washington, and his conversations with President Kennedy inspired the latter to deliver a visionary speech on Independence Day, 4 July 1962, in Philadelphia with the twin proposal of a 'transatlantic partnership of equals' and a 'Declaration of Interdependence' between the 'New World' and the 'New Europe' should the European agenda successfully materialize. And it was President Kennedy who advocated strongly with Prime Minister MacMillan the need for the UK to join the European Communities, including the unavoidable acceptance of the EC's not so popular Common Agricultural Policy – a rare example of farsighted leadership.<sup>10</sup>

The web of consultations and agreements of all sorts got richer with the European Communities implementing the Paris and Rome Treaties. Consultations with the US Administrations were conducted by the Commission and culminated in yearly 'High Level' meetings between teams led by the US Secretary of State and the Commission President. Delors reinforced the momentum by turning the tide from the Euro-pessimism of the late 1970s and early 1980s to the Single European Act of 1985 and the 1992 project of completing the Internal Market while regularly keeping in touch with Presidents Reagan and Vice President and later President Bush ('41').<sup>11</sup> Delors' early visit to President Reagan at the White House in April 1985 greatly facilitated US understanding for the Commission President's 'Agenda 1992' – although it could not entirely dissipate initial American fears of a 'Fortress Europe' – and was instrumental for getting the Uruguay Round of multilateral trade negotiations off the ground, the prelude to the setting up of the WTO in 1995.

The April 1985 Reagan/Delors meeting in the White House was the opening set for regular and close consultations throughout the decade of three subsequent Delors Commission Presidencies. They provided the ground for the European side to fully assume its role, in close interaction with the Bush/Baker team, when the fall of the Wall and the dissolution of the Soviet Union opened the prospect of a 'Europe whole and free', a notion coined by President Bush in 1989. I would like to point to two not so widely publicized events that illustrate the central role played by the Commission President at a turning point of European history. The high regard Delors had acquired

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<sup>10</sup> See George Ball, *op. cit.*, pp. 213-222.

<sup>11</sup> The acronyms "Bush '41'" and later "Bush '43'" (respectively the 41<sup>st</sup> and 43<sup>rd</sup> US President under the 1787 Constitution) are widely used as a distinction between Bush 'father' and Bush 'son'.

and the confidence placed in his unpretentious intellectual leadership led President Bush to stop over in Brussels on 4 December 1989, on his way back to Washington from his Summit meeting with President Gorbachev in Malta, not only to inform NATO partners but also to brief Delors and to seek his support for what would later be known as the four basic principles of the 'Europe whole and free' agenda. I remember the – unusual – White House press communiqué after the meeting, pointing to the fact that this was the third meeting between Presidents Bush and Delors during that year and expressing President Bush's appreciation for Delors' personal contribution and insight.

The political concept Bush had put together appeared simple and ingenious: equal respect for the two fundamental and yet not always easily reconcilable Helsinki principles relating to the recognition of existing borders and the right for self determination, the perspective of German unification in the context of European integration and the North Atlantic Alliance, and a massive and coordinated effort of economic and financial support for the new democracies in central and eastern Europe. Bush sought Delors' support for an agenda to which not all European leaders had yet whole-heartedly accepted, as the subsequent December 1989 Strasbourg European Council meeting with Mitterrand had famously shown. Already in July 1989, at the G-7 'Sommet de l'Arche' in Paris, Bush had joined forces with Chancellor Kohl and the Canadian Prime Minister Mulroney to convince a reluctant Mitterrand (in the chair as the G-7 host) and a more than sceptical UK Prime Minister Thatcher that Delors should be tasked with the coordination of what would become the G-24 financial assistance effort for Europe's liberated new democracies.

In a way, the subsequent EU pre-accession and then accession process leading to the EU's eastern enlargement on 1 May 2004, had its early roots at that memorable G-7 dinner on 14 July 1989, at the 'Hotel de la Marine' overlooking the Place de la Concorde surrounded by the festivities of the bicentenary of the French Revolution, so ably orchestrated by Mitterrand's Sherpa Jacques Attali. What was most remarkable was the deep familiarity, knowledge and appreciation by the US leadership of the role assumed by the nascent European institutions, and more

particularly by the European Commission in those creative moments of Europe's history.<sup>12</sup>

*From 'Eleven/Nine' 1989 to 'Nine/Eleven' 2001*

The fall of the Berlin Wall on 9 November 1989 symbolized the greatest common achievement of the US and Europe. It resulted from the successful combination of US determination, based on its military power, and from the attractiveness of the model of European integration to the peoples under communist rule. The post 11/9/1989 agenda, "Europe whole and free and at peace with itself" would not have been possible with the US or Europe acting alone. The end of the Cold War led to significant transformations of the geopolitical environment. A complex, much more unpredictable multipolar security landscape, had replaced the bipolar structure of confrontation between two rival power blocs. Transatlantic relations saw themselves confronted with new security threats: international terrorism, proliferation of weapons of mass destruction, failed states, regional conflicts, the first Gulf war and the Balkan wars.

Both those changes in the geopolitical environment and Europe's expanding capabilities as a global political and strategic actor led to a positive reassessment of EU-US relations at the end of the Cold War. European integration had created the indispensable context that led the 'Four plus Two' negotiations to a successful conclusion. As described above, the Bush ('41') Administration very early in the process recognized these fundamental facts. Benefiting from President Bush and Secretary Baker's close personal relations with Commission President Delors, both teams engaged in what have probably been among the most productive moments of the European-American relationship.

As a result, the 1990 Transatlantic Declaration (TAD), ultimately agreed at the margins of the November CSCE Summit at the Paris Kleber Conference Center<sup>13</sup>, for the first

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<sup>12</sup> A much later testimony of the then US leaders' state of mind concerning the process of European unification has been recorded by Wilfried Martens, a former Belgian Prime Minister, in his recently published autobiography (*De Memoires*, Tielt, 2006, pp. 602-603): During a private event in a Flemish provincial town in July 1999, attended by Reagan, Bush, Thatcher and Martens, the discussion was about whom they considered the greatest political personality in Europe after the war. While Thatcher naturally concluded on Winston Churchill the three other discussants agreed on Jean Monnet.

time defined the principles for EU-US cooperation and consultation in a single and comprehensive formal document. The two sides agreed to inject fresh momentum into cooperation on transatlantic and global trade and economic relations – with the US side putting an end to the 'Fortress Europe' criticism in relation to the EU's '1992' project of completing its Internal Market. The TAD agenda also covered the EU's nascent foreign policy cooperation, which had been institutionalized for the first time in the Single European Act, signed on 28 February 1986 and entered into effect on 1 July 1987, covering issues such as the fight against terrorism and the proliferation of weapons of mass destruction, while military matters were excluded at the explicit request of the US negotiators.<sup>14</sup> On procedure the TAD established a mechanism for consultations at all levels, including biannual summits, ministerial and working level meetings, as well as regular briefings with the European Political Cooperation structures. On the European side the TAD committed the Commission as well as the Member States through the respective Council Presidencies. The earlier format of 'High Level Consultations' were discontinued and replaced, at the initiative of the Commission, by regular 'sub-cabinet meetings' to cover the various working level contacts on the many issues of community competence.

In 1995 the New Transatlantic Agenda (NTA) together with a Joint Action Plan completed and reinforced the 1990 agenda and mechanisms in response to EU developments under the Maastricht Treaty, signed on 7 February 1992 and entered into effect on 1 November 1993, the gradual implementation of the Union's Common Foreign and Security Policy, the enlargement and pre-accession processes and the EU's gearing up to its 'Agenda 2000' agreed at the December 1995 Madrid European Council. Again, progress in transatlantic relations went hand in hand with the

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<sup>13</sup> Interestingly enough the EU/US bilateral Declaration saw the light at a moment when the transformation from the CSCE to the OSCE, another 'transatlantic' multilateral organization, coincided with the signing of the OSCE 'Charter for a New Europe' (not the polemic neoconservative caricature à la Rumsfeld, but a memorable European-American historic achievement).

<sup>14</sup> While the US had actively supported the European Defence Community Treaty in the early 1950s, their attitude had changed with the subsequent incorporation of Germany into NATO and WEU. Henceforth US negotiators traditionally maintained that military security matters were issues to be discussed with Allies in NATO. A particularly robust and somewhat undiplomatic expression of this stance was the Dobbins-Bartholomew memorandum in the spring of 1991 addressed to EU Member States members of NATO during the Intergovernmental Conference leading to the conclusion of the Maastricht European Union Treaty in December 1991. That demarche resulted in strengthening the hand of those member states that took minimalist positions towards the common security and defence articles of the Treaty, in particular its Art. J 4, the complex architecture of which can be partly attributed to the pressure exercised by the US.

dynamics of European integration and intergovernmental cooperation. The NTA's objective was to move from consultation under the TAD to a new level of cooperation and common action, including all aspects of security and defence policies this time.

Until today, the NTA represents the most comprehensive 'constitutional basis' of EU-US cooperation. It provides an institutionalized framework for official EU-US interactions: regular meetings at the Presidential, Ministerial and working levels. The NTA's four main goals are promoting peace, stability, democracy, and development; expanding world trade and economic growth; meeting global challenges (including cooperation fields such as environment protection, protection of public health, and law enforcement issues); and building ties between EU and US representatives from business, academic, consumer, labour, environment, and government circles [including the Transatlantic Legislators' Dialogue (TLD) and the Transatlantic Business Dialogue (TABD)]. The Joint EU-US Action Plan comprised some 150 specific actions to which the EU and the US have committed themselves (these range from reducing barriers to transatlantic trade and investment to promoting links between colleges and universities).

In the context of the NTA, the Transatlantic Economic Partnership (TEP) was launched at the EU-US London Summit in 1998 to reduce many of the remaining barriers to the free flow of commerce and to facilitate conducting business across the Atlantic. The TEP is an extension of the approach taken in the NTA, including both bilateral and multilateral elements. Bilaterally it aims at tackling technical barriers to trade through the expansion of Mutual Recognition Agreements (MRAs) and other measures. Multilaterally its purpose is to further stimulate liberalization – by joining forces on international trade issues. The TEP also provides for an 'early warning system' to share information on regulatory initiatives with a view to contain disputes, particularly in the area of food safety.

The Bonn Declaration adopted at the 1999 EU-US Summit in Bonn presented another step forward from the NTA. Both sides explicitly committed themselves to a "full and equal partnership" in economic, political and security affairs. Embedded in the NTA process, the Bonn Declaration outlined how the EU and the US wanted to shape their relationship over the decade ahead. These arrangements were more recently

stepped up by further economic initiatives launched in consecutive Summit meetings from 2001 until today: the Positive Economic Agenda (PEA) launched in 2002, the Guidelines on Regulatory Cooperation and Transparency and the Financial Markets Regulatory Dialogue. They clearly illustrate the comprehensiveness of the EU-US economic relationship which goes far beyond occasional although highly publicized trade disputes and is supported by close to fifty individual sector or issue-specific agreements and administrative arrangements, institutionalized dialogues and regulatory cooperation activities at all levels between the US Administration and the European Commission.

A particularly successful area of cooperation has developed over the years in the area of competition policy. Contrary to public perception following a few controversial and highly publicized cases, close links have been established between the European Commissioner in charge of antitrust matters and his two US counterparts, the US Department of Justice and the Federal Trade Commission (FTC). In 2001 the 10th anniversary of the EU-US 1991 Cooperation Agreement was celebrated at the EU Commission's Kalorama Residence with Commissioner Mario Monti and successive teams of Attorneys General and Chairmen of the FTC in attendance. When GE/Honeywell and Microsoft were hotly discussed in public, Mario Monti also found a way to discuss matters quietly on the Hill with members of Congress led by Senators DeWine and Kohl.

All in all, the EU-US economic relationship holds important lessons for both the European Union's policy aspirations and a well functioning transatlantic partnership. European and American economies have become more intertwined and interdependent after the end of the Cold War. The years since the Cold War – when the 'glue' of the Cold War partnership supposedly loosened transatlantic relations – marked actually one of the most intense periods of transatlantic integration ever. The economic relationship became a stabilizer of the overall relationship. Particularly in the areas of trade and competition policies, and regulatory cooperation, EU-US interaction reached an unprecedented level of intensity that has earned the EU collective respect as an equal partner by Administration, Congress and the business community. In a nutshell, it is widely recognized that the transatlantic economy constitutes the most globalized part of the global economy.

A profound change of direction in the overall transatlantic relationship marked the start of President G.W. Bush's first term in early 2001. While the EU-US partnership had generally grown ever closer until the end of the Clinton era, President Bush '43' started off by disavowing an important number of international commitments, including the Kyoto Protocol and the International Criminal Court Treaty. At the same time, the EU and the US had decided, not entirely convincingly, to reduce the number of summit meetings from two to one per year. When the first, now annual EU-US Summit took place in June 2001, in Göteborg, Sweden, the US President faced harsh criticism from the 16 members of the European Council.<sup>15</sup> These developments led to growing tensions with the EU during the first eight months preceding 11 September 2001, when the terrorist attacks on New York and Washington with their tectonic geopolitical effects marked a crucial crossroads not only for the bilateral EU-US relationship.<sup>16</sup>

#### *From Post-September-Eleven to Today's New Realism*

The unprecedented terrorist attacks on the United States' mainland on September 11, 2001 profoundly and abruptly changed America's traditional sense of invulnerability and security at home.<sup>17</sup> The collapse of the twin towers represented a widely underestimated turning point in America's foreign and security policy – America was, and still considers itself to be, 'at war'.

When the Presidents of the European Council and of the European Commission, Verhofstadt and Prodi, visited President Bush in the Oval Office on 27 September 2001, they expressed Europe's unreserved solidarity with the US and proposed to start

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<sup>15</sup> This was the first ever meeting at Summit level, where the US President met all 16 members of the European Council (the 15 Heads of State or Governments and Commission President Prodi) collectively. The Summit also had another historic significance since it coincided with the first bilateral visit of a US President to Sweden.

<sup>16</sup> Condoleezza Rice, the then National Security Advisor, would stress at later lunches with the EU Heads of Mission in Washington, DC, how much the President had disliked the 'Gothenburg bashing'. The atmospherics had been badly affected to a degree that might explain Ms Rice's harsh language when she informed the Heads of Mission at the first post-Göteborg joint lunch at Ambassador Eliasson's Residence during Sweden's Council Presidency that "Kyoto was dead upon arrival".

<sup>17</sup> I was able first hand to witness the dramatic impact of these earthshaking events in Washington. While briefing the members of the European Parliament's Delegation for Relations with the US Congress in the press room of the Commission Delegation in the early morning of 11 September news came in about a plane having hit the North Tower. Switching on our TV screen we followed the day's incredible events. Our first meeting with Congressional counterparts in an almost deserted Capitol Hill was a deeply moving experience. In this hour of tragedy 'we were all Americans'.

working on a common agenda. President Bush readily replied that the dramatic nature of this challenge to the entire civilized world "provides us with a new opportunity to work together". Sadly, that opportunity was not fully grasped. While transatlantic cooperation in the areas of justice and home affairs successfully extended into a wide range of subjects covered on the Washington end by the Department of Justice and by the newly created Homeland Security Department, the US-led 'war on terror' quickly divided the international community and drove a wedge right through the European Union. After a period of international unity focused on Afghanistan, the US resumed a policy of unilaterally determining the agenda, preferring ad-hoc "coalitions of the willing" to partnerships of equals and "tool boxes" to permanent Alliances.<sup>18</sup>

In retrospect, 9/11 had the effect of amplifying a policy mix based on a number of factors which presidential speech writers are nowadays eager to coin the 'Bush doctrine': the ideology of the neoconservative foreign policy school; the reliance on the military superiority of the world's sole hyper power with a defense budget bigger than all other countries' defense budgets combined; the religiously motivated missionary zeal of America as the chosen country called by history and divine providence to defend freedom and democracy, God's gift to mankind; the unconditional support for the policies of Israeli governments allied with the large 'reborn Christian' constituencies in the American 'bible belt'; an oversimplified and devastatingly polarizing distinction between right and wrong, good and evil; and a refusal to let 'others' have a say in determining America's course of action. Hand in hand with a naïve and badly informed comparison between bringing regime change and democracy to Iraq and the wider Middle East and the successful and peaceful post-WW II transformations in Germany and Japan, and inspired by a quick and easy 'mission accomplished' mentality, it has become increasingly evident that the foreign policy experiments of the Bush Administration will probably have to be

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<sup>18</sup> There was a similar effect on the EU's internal developments: cooperation in Justice and Home Affairs, a long time neglected 'third pillar', picked up momentum and benefited a broad transatlantic anti-terrorism agenda while the EU's foreign policy chief Javier Solana was quickly made to understand that, in the absence of EU common positions, he was to practise the art of making himself invisible. Later on, in an article of the *International Herald Tribune*, dated 12 August 2006, he is quoted as follows: "It would have been absurd to think that I could resolve the situation publicly. Sometimes you have to know (...) that means disappearing at the right time." The exemplary cooperation between Commissioner Vittorino and the EU Counter-Terrorism Coordinator G. de Vries, on the one hand, and Homeland Security Secretary Rich as well as Attorney General Ashcroft, on the other, became a noteworthy success story in transatlantic cooperation.

remembered as counting among the most problematic periods of contemporary American history. The mounting number of self-critical publications and the growing intensity of the domestic debate, however, are a hopeful and healthy sign of America's inherent power to ultimately adjust an unhappy course of action. The more recent experience of the July 2006 Lebanon war has sent an additional formidable message to all sides that military power alone is insufficient to solve problems in the absence of a broader therapy addressing the root causes.

The EU, for reasons of own shortcomings, proved unable to respond collectively as a Union. Its members split into those who decided to follow and those who opposed the US, advocating a more comprehensive and internationally legitimized approach of what Europe prefers to call 'fight against terrorism' as opposed to 'war on terror'. This did not, however, prevent the EU and the US from signing important agreements on a number of homeland security and counter-terrorism measures and to continue working together on Afghanistan and other international hot spots, crucial achievements that have continued without interruption – despite the most serious worsening of the transatlantic political climate over the war against Iraq.

While, as a consequence, for much of 2002 and 2003, the general tenor of EU-US relations remained uneasy and combative, 2004 saw some of the rifts beginning to settle. In the US, after a period of patriotic conformism and almost zero tolerance with respect to criticizing a President at war, critical voices took issue with the course of US foreign policy and its increasingly negative effects on America's public image. Increasingly the case was made for America to reach out to its partners, notably the EU. The neoconservative agenda of preemption and preeminence, of "the mission determining the coalition" had obviously met with limits of military, financial and moral overstretch. Foreign policy uncharacteristically dominated the presidential campaign of 2004 in a country deeply divided.

On the EU side, lessons had been learned as well. It had become clear that no single member state on its own was able to ultimately influence the Washington decision-making process, and that only collective engagement together with enhanced capabilities could make an impact. Moreover, putting aside past differences over the war had to make room for the need to address together post-Saddam Iraq as part of the problems of the wider Middle East, a region closer to Europe than to the

US. The triple G-8, EU-US, and NATO Summit meetings in June 2004<sup>19</sup> displayed a new sense of realism, articulated in a quite substantive set of seven policy declarations at the EU-US meeting.

The unique coincidence in transatlantic change-overs in November 2004, a newly elected European Parliament in June 2004, the Barroso Commission starting its mandate on 1 November 2004, coinciding with President Bush's re-election for a second term, together with Congressional elections, on 2 November 2004, provided an opportunity on both sides to reassess the state of the transatlantic relationship and to re-energize the transatlantic agenda in the areas of the economy, foreign and security policies and the strengthening of the consultative mechanisms.

A first strong gesture was the visit by President Bush to EU Headquarters in Brussels on 22 February 2005. The Summit meeting with the 25 EU Heads of State or Government as well as Commission President Barroso reviewed the main priorities on the international agenda, including the Middle East, Iraq, Iran, the Barcelona Process, the Balkans and Russia, and global economic and environmental issues. On this occasion, the EU and the US reaffirmed their commitment to transatlantic partnership, "irreplaceable and vital" to meeting common challenges. Four months later, the June 2005 Summit in Washington, DC, adopted joint declarations on the promotion of democracy, the Middle East, UN reform, counter-terrorism and non-proliferation and Africa. Central part of the Summit's agenda was the strengthening of economic cooperation. The Summit launched an "EU-US Initiative to Enhance Transatlantic Economic Integration and Growth" and agreed to boost trade and investment between the EU and the US by, inter alia, setting up a "High Level Regulatory Co-operation Forum" to facilitate regulatory cooperation. A "Roadmap for Regulatory Cooperation" set the priorities for a number of sectors and specific issues, thus tying the efforts to complete a transatlantic business friendly regulatory environment in with and reinforcing the EU's own Lisbon agenda. On 18 October 2005, Commission President Barroso's invitation to the White House – the first such bilateral visit of a Commission President to the White House for many years – added to the list of conciliatory gestures. Discussions focused on the WTO Doha Round, transatlantic economic issues and the promotion of democracy around the world.

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<sup>19</sup> See footnote 3.

All in all, 2005 had seen a determined and systematic effort to change the rhetoric and to discontinue a policy of polarization, a necessary condition for putting a transatlantic agenda back on track. Clearly, the biggest progress so far has been made with respect to economic cooperation. On 30 November 2005, following commitments made at the EU-US Summit, the EU side hosted a first informal EU-US Economic Ministerial meeting bringing together relevant members of the Commission, member states Ministers representing three successive Council Presidencies and a US team led by the Secretary of Commerce. Issues discussed included Intellectual Property Rights (IPR), regulatory cooperation, trade and security, and innovation.

At the June 2006 Vienna EU-US Summit the atmosphere was forward-looking (President Bush: "What is past is past and what's ahead of us is a hopeful democracy in the Middle East"). The four broad agenda items, foreign policy cooperation with a particular focus on the Middle East, confronting global challenges, energy security and economic and trade issues were dealt with constructively. Where differences remained, "we disagreed in an agreeable way"<sup>20</sup>. The Summit mandated another Economic Ministerial meeting to implement the broadened "Roadmap for EU-US Regulatory Cooperation" annexed to the Vienna Declaration. The second US-EU Economic Ministerial took place in Washington, DC, on 9 November 2006 and was co-chaired by the US Secretary of Commerce Gutierrez and the US Secretary of Energy Bodman with the Commission Vice-President Verheugen and the Finnish Minister for Trade attending for the EU side. The agenda routinely covered a number of regulatory issues, with a specific focus on renewable and alternative energy matters. There clearly is a need for creating additional momentum in order to allow the next EU-US Summit meeting in spring 2007 under Germany's EU Presidency to take another step forward and to further broaden the economic agenda.

With regard to foreign and security policy, much depends on the EU's ability to pursue its course towards more effective diplomatic and security structures and assets. Only with the further reinforcement of its 'hard' power capacities will the EU's impressive 'soft' power resources gain the full credit they deserve. Of course, it is also up to America to review the principles underpinning its foreign and security policy.

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<sup>20</sup> President Bush at the post Summit Press Conference.

However, that is frankly a debate that the EU can only hope to influence by getting its own act together. More fundamentally, the EU-US partnership will require a better meeting of the minds on strategy. Post 9/11 the dominant agendas are different, as illustrated by the gap between the September 2002 US National Security Strategy based on the doctrine of preemption and preeminence<sup>21</sup>, and the December 2003 EU Security Strategy based on effective multilateralism. The EU's 'post-1989' agenda focuses on peace by nation-building with internationally legitimated use of force as a measure of last resort. This agenda rests on the bitter experience of centuries of wars that have brought Europe close to destruction. The US 2001 'war on terror' agenda is about regaining invulnerability at home by exercising on a global basis what America considers its sovereign rights. Simply speaking, the peoples of Europe, knowing by experience that there is no absolute protection against terrorist acts, feel themselves largely at peace, reconciled, seeking to export stability across their borders, while America feels itself at war.

## Conclusion

Today, the US margin of maneuver is limited as a consequence of military overstretch, financial deficits, the loss of the moral high ground and the deep damage done to the US Administration's image in the world. An intensely self-critical internal debate in the US again is about the need for stable partnerships, with the EU first in line. The library of recent foreign policy literature<sup>22</sup> argues that the

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<sup>21</sup> The US National Security Strategy has been updated in March 2006, expanding on and assessing the 2002 version. "America is at war" remains the major focus while the threat analysis is zooming in on the problem of Iran's nuclear ambitions and identifying Iran as the country likely to present the single greatest future challenge. Most commentators have severely criticized the document as more of the same with William Pfaff stating that "intellectual poverty is the most striking quality of the new statement" revealing "a lumpy stew of discredited neoconservative ideas" (see *International Herald Tribune*, 20 March 2006).

<sup>22</sup> Among early assessments about the growing transatlantic crisis as a result of neoconservative unilateralism are: Joseph Nye, *The Paradox of American Power – why the world's only superpower can't go it alone*, 2002; Charles Kupchan, *The End of the American Era*, 2002; and Clyde Prestowitz, *Rogue Nation – American Unilateralism and the Failure of Good Intentions*, 2003. A comprehensive "examination of what has gone wrong in the fragile US/Europe Alliance – and how to make it right" is *Allies at War – America, Europe, and the Crisis over Iraq* by Philip Gordon and Jeremy Shapiro, 2004. Other key contributions include: Zbigniew Brzezinski, *The Choice – Global Domination or Global Leadership*, 2004; Henry Kissinger/Larry Summers, *Renewing the Transatlantic Partnership*, Council on Foreign Relations, 2004; Georges Soros, *The Bubble of Supremacy*, 2004; Simon Serfaty, *The Vital Partnership – Power and Order, America and Europe Beyond Iraq*, 2005; an Atlantic Council policy paper: *The Transatlantic Transformation: Building a NATO/EU*

neoconservative 'Bush Doctrine' lies in shambles and that the US image in the rest of the world has shifted from the Statue of Liberty and the "Shining city on the hill"<sup>23</sup> to the hooded prisoner at Abu Ghraib. Headlines such as Anatol Lieven's "Decadent America must give up imperial ambitions"<sup>24</sup> dramatically illustrate the depths of new American soul searching. The outcome of the June 2006 war between Israel and Lebanon reinforces the lesson that the use of military power alone – without at the same time dealing with the root causes of Middle East problems – far from solving those underlying issues, only increases anger and frustration and provides a breeding ground for more conflict instead of leading to a much needed reconciliation.

The increasingly disastrous situation in Iraq together with unprecedentedly low approval for the Bush Administration have translated into the dramatic power shift as a result of the 7 November 2006 mid-term elections. The Democrats' gaining the majority in both the House and the Senate as well as among newly elected State Governors, is putting President Bush under severe pressure to diversify his sources of advice. The spectacular departure of Secretary Rumsfeld, an icon of the Iraq strategy, and the central role of the Iraq Study Group led by former Secretary of State Baker illustrate the fact that without a change of course in US Middle East Policy over the two years the Republican stand in the 2008 elections would seem to become extremely critical.<sup>25</sup>

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*Security Agenda* by Burwell, Gompert, Lebl, Lodal and Slocombe, February 2006. Francis Fukuyama's *America at the Crossroads – Democracy, Power, and the Neoconservative Legacy*, 2006, provides an in-depth analysis of the dominant foreign policy school at the heart of the Bush Administration. Another turn in the doctrinal debate is *Ethical Realism – a Vision for America's Role in the World*, 2006, co-authored by the leftist Anatol Lieven and the conservative John Hulsman, looking back longingly to the kind of self-confident multilateral commitment of the Cold War Eisenhower and Truman Administrations as an inspiration for present day's policy makers.

<sup>23</sup> John Winthrop's famous saying in June 1629 upon arriving with the Pilgrim Fathers on the shores of what is now Massachusetts: "Consider that wee shall be as a citty [sic] upon a hill, the eies [sic] of all people upon us" can rightly be seen as the foundation of America's soft power, the aspiration of freedom and liberty, the pursuit of happiness in the land of unlimited opportunities, a soft power so badly eroded over the past years.

<sup>24</sup> *Financial Times*, 29 November 2005.

<sup>25</sup> In almost perfect timing with the run-up to the mid-term elections Bob Woodward, the author of "Bush at War" in 2002, and "Plan of Attack" in 2004, had come out with his third national bestseller "State of Denial", 2006. All three widely marketed publications describe in remarkable detail the neo-conservative foreign policy decision making process post from September 11 to today's Iraq conundrum, and have no doubt played their part in shaping informed public opinion. After "Watergate" this is surely another important example of the maturity of the American democratic process.

Fighting terrorism and preventing the proliferation of weapons of mass destruction, dealing with the world's many trouble spots, engaging in nation building where states have failed or have been destroyed, all this and more requires the combined and complementary blend of European mainly soft and American primarily hard power. Although transatlantic partnership will necessarily continue to show some degree of asymmetry, it must be based on mutual respect and the realistic assumption that agreement will not always be possible on all issues and that therefore any disagreements must be managed equally respectfully.

There have been regular suggestions that such management should be based on a strengthened set of bilaterally agreed rules, of developing the present mechanisms, the Transatlantic Declaration of 1990 and the New Transatlantic Agenda of 1995, into some form of treaty. It appears questionable whether public doubts in the acceptance of US leadership and recent set-backs in further European integration with the ratification of the EU's Constitutional Treaty on hold will allow major advances soon in updating the ten year old New Transatlantic Agenda into a new partnership agreement and/or transatlantic 'Declaration of Interdependence'. Present circumstances may suggest that such a high profile proposition might not be achievable in the near future. However, it remains a necessary step to be undertaken when conditions become more favorable on both sides in the perspective of transatlantic change-overs by 2009.

Geopolitical developments over the next decades, from accelerating economic globalization to the emergence of new political power centers make the case for transatlantic partnership between the 'New World' and the 'New Europe', as the backbone of the multipolar global system, ever more compelling. While the most recent transatlantic survey has shown again that confidence in the leadership of the present US Administration has continued its steep descent,<sup>26</sup> the June 2006 Bertelsmann/Emnid international survey about "World Powers in the 21<sup>st</sup> Century" concludes that despite its worsened negative image the US will remain in overall

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<sup>26</sup> *Transatlantic Trends 2006*, a project of the German Marshall Fund of the United States and the Compagnia di San Paolo, with additional support provided by Fundação Luso-Americana, Fundación BBVA, and the Tipping Point Foundation, Washington DC and Brussels, 6 September 2006, [www.transatlantictrends.org/index.cfm?id=36](http://www.transatlantictrends.org/index.cfm?id=36) (20 November 2006).

demand as a principle international force of order.<sup>27</sup> The US, as much as the EU, will have to engage in serious home work for transatlantic partnership to remain the prominent mutually attractive policy option in the longer term. The US, the 'more perfect Union', will need to actively regain full credibility in relation to its conduct of international affairs. The EU will have to convincingly prove that its determination to evolve towards 'an ever closer Union' is unaffected by the recent set-backs over the failed ratification of its Constitutional Treaty. The fiftieth anniversary of the Rome Treaties in March 2007 will be the occasion for the adoption by EU leaders of a second 'Messina Declaration' on the future of Europe which might pave the way to rescue the essential institutional reforms agreed as part of the Treaty. New leaderships in Germany and France, two of the founding members, will wish to complete that task under their respective EU Presidencies in early 2007 and late 2008. If successful, the EU's capacity to act as a major international player would be greatly enhanced. A EU foreign minister, working under the dual authority of a more continuous Council Presidency as well as of the Commission President would considerably streamline transatlantic communication and common action. The EU's growing capabilities and collective experience in security and defense would open the opportunity for NATO to evolve towards a more appropriate European-American Treaty Organization. The objective of achieving a barrier-free transatlantic market by 2015, as well as closer ties between legislators in a Transatlantic Assembly bringing together the European Parliament and the US Congress would all appear attractive building blocs for a Transatlantic Partnership Treaty to be initiated in 2009. The March 2007 'Second Messina Declaration' to be adopted by the European Council in special session in Berlin should express the EU's openness to start discussions to that effect, in the spirit of John F. Kennedy's visionary proposals almost 45 years ago.

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<sup>27</sup> Bertelsmann Stiftung/Emnid, "World Powers in the 21<sup>st</sup> Century", Berlin, 2 June 2006.

**List of EU Diplomacy Papers**

**1/2006**

Karel De Gucht, *Shifting EU Foreign Policy into Higher Gear*

**2/2006**

Günter Burghardt, *The European Union's Transatlantic Relationship*