



EU-US: A NEW DIRECTION?

*THE TRANSATLANTIC RELATIONSHIP:
CHANGING CIRCUMSTANCES, NEW ACTORS*

**Transatlantic Policy Forum
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Event Report

Energy, climate change, financial crisis, nuclear proliferation, immigration, Russo-Georgian crisis, terrorism. The rise of issues demanding international regulation is of singular concern to the European Union and the United States. For despite the claims of emergent countries, the remaking of global governance will not happen without leadership by the two main actors of the international order.

The election to the summit of the US administration of a candidate who campaigned on the theme of “change” has inspired much hope in the world. After eight years of an administration more keen on unilateralism than multilateralism, high expectations accompany the new government’s arrival. The successful European activity of the second half of 2008 – in response to the Russo-Georgian crisis, and the economic and financial one – and the firm intention of the Czech EU presidency to maintain the momentum started by France, is lending some credibility to European action on the world stage. These concurrent developments on either side of the Atlantic invite us to consider more deeply the role of the EU-US relationship.

Diplomats, experts and researchers from both sides came together in Paris in mid-December 2008 to analyse the perspectives which have been opened up by these changes. During the debates, the deep uncertainty surrounding the effects of the crisis meant that prudence was emphasised in the presentations on possible future developments. However, the discussions helped to break the “European myths” built up during President Obama’s campaign and to articulate realistic expectations vis-à-vis the United States and the EU-US relationship.

1. Ruptures working towards renewal

a) Promising change at the tops of government

Simultaneous changes of government in Europe and America has generated hopes of a new start in the transatlantic relationship. Complementing the election of Barack Obama, there is a feeling that a new European Atlanticism has appeared in the last few years: *“We have moved from the Chirac-Schroeder-Putin trio to the Brown-Sarkozy-Merkel trio. The attitude of the new member states is also positive, and in France there is no longer a contradiction between the European project and the transatlantic alliance.”* But *“Europeans often make a serious error in their reasoning. During the campaign they would have liked to vote for Obama, and once he was elected they considered that the Americans made the right choice in choosing their favourite. That turns out to be much less true given the administration appointed in the last few weeks.”*

Many speakers describe as *“European myths”* the Old Continent’s perceptions of Obama, and dispute the validity of these panegyrics. *“The new president cannot walk on water”*, as one speaker puts it ironically. Against the stereotypes of presidents Bush and Obama, another participant nuances that *“the relationship with Bush was never as bad as it seemed, even at the worst moments with France. We are forgetting the warming of transatlantic relations during the second Bush term.”* To dampen the false hopes of change brought by the new American head of state, a participant adds: *“Whatever Obama does, his decisions will in any case be the result of compromise, because the context is one of crisis and he will need the support of the opposition to respond to this.”*

b) Economic and financial shocks, the spur for change?

The financial and economic crises and their regulation will be a major preoccupation of citizens and governments alike for the months and even years to come. But the virtue of these crises might be to renew a dynamic of cooperation between the two sides of the Atlantic. *“With this conjuncture of upheavals we are in a crisis, but at the same time there is much hope and opportunity. We are in an exceptional situation where there are exceptional opportunities”*, as one speaker says. Participants underscore that the contagion mechanism which triggered the worst economic crisis in fifty years should influence the attitude of both partners: *“It made Europeans aware that critical mass is no longer at national level, but rather at European level”*. In particular this new situation should modify the behaviour of the new President of the United States: *“Obama inherits a situation not so different from the one Clinton inherited, but there is a difference in credibility because of the foreign debt and the dollar. Obama will not be able to solve this problem without external help because the United States is much more dependent than in previous times.”*

A crisis in an economic situation with such unprecedented interdependences: this pushes to the top of the agenda the restructuring of world economic and financial governance. Participants agree that the two main international trading partners have responsibility for this reform: *“Shared leadership by Europe and the United States is imperative, or else the restructuring will not happen.”* A speaker warns that although the context demands concerted

action, perceptions of regulations differ profoundly between the two sides: *“The United States is experiencing a crisis but that does not mean that its regulation, its conception of the state’s role in the economy, or of the role of work for the individual, will change. The idea that economic decisions are best taken by politicians, philosophers, intellectuals and academics rather than by the market is a profound belief of Europeans that the United States is a long way from embracing.”* Beyond differences of views on the terms of regulation, more seriously the crisis could incite practices which work against cooperation. The protectionist temptation would lead to a regression, after years of efforts to create multilateral trade rules and free access to markets.

c) A rupture to help the fight against climate change

“For a long time the United States has been fighting climate change in the economic domain, and by means of “green tech”, but until now its diplomacy has remained inflexible.” The change of direction with regard to climate change, by one of the world’s biggest polluters, should be confirmed at the 2009 Copenhagen summit. On this subject a rapprochement with the EU can be envisaged, because *“several agreements are possible between the two partners: on the market for CO₂, on nuclear energy and vis-à-vis developing countries”*.

This is because the European Union and the United States, “historical” polluters, can expect to be asked to contribute to the efforts of developing countries. Rich country aid for the climate change efforts of developing countries might take the form of technology transfer or investment aid. In both cases the contributions would amount to several billion euro per year. On this decisive question the two partners will probably present a united front, since *“unlike 1997 we are no longer prepared to pay to the same extent”*. Indeed the situation has changed now. They point out that although emerging countries’ carbon emissions remain low, they are among the highest of the world per inhabitant.

2. Uncertainty and continuity in the EU-US relationship

a) Indispensable and uncertain cooperation in security policy

On the question of security, EU-US negotiations are seen by the panel as “weak”. The mechanism must be improved because *“the United States knows that, unlike with Russia or China, it is not always simple to speak to ‘Europe’”*. The Europeans’ difficulty in acting together prevents an effective sharing of responsibility on security issues between the United States and the European Union. A speaker sums up the situation thus: *“Apart from France and Great Britain, and secondarily Germany, Italy and Spain, the capacity for action is weak. Each time that the EU wants to deploy its forces, it needs backup from the United States.”* Some speakers emphasise that the EU’s capacity for military action should not be understated. *“There are currently nearly 60 000 soldiers involved in conflicts beyond our borders”*, it is pointed out. But European speakers also reckon that *“we must know whether we want a European defence policy. For that, there needs to be action at the highest level.”*

The question of European defence policy has taken on new significance with the arrival in power of President Obama, because, as a speaker puts it, “*when he comes knocking at our door to ask for help in Afghanistan or elsewhere, it will be more difficult for us to refuse than if it was G W Bush asking*”. The piling up of difficult policy dossiers – Iran, the Iraq withdrawal, Pakistan, Afghanistan, Russia, the Middle East – should prompt the new administration to seek a commitment from the Europeans to better share the load and the responsibility for managing conflicts. But this desire still runs into differences of viewpoint, as was shown a few months after the Georgian crisis when Europeans debated the role to adopt with regard to Russia. The entirely joint approach (comprising security, energy and trade) is still the subject of delicate intra-European negotiations.

b) Europe, a partner in the making

“Between the two sides of the Atlantic a new opportunity has arisen, demanding only that Europe decide to move forward in its self-assertion on the international stage.” In the mirror held up by its transatlantic partner, the EU’s reflection shows the handicaps of an inadequate Union – as illustrated by the energy question: *“To speak with one voice the EU will at least need a single energy market. Yet it continues stubbornly to act according to national interest. What will we do when Algeria takes a disliking to Spain, or Gazprom and Russia to the countries of central Europe?”* On a more alarmist note, a speaker offers that *“the EU has much to do internally. I do not think that Europeans are ready to meet the expectations of the Obama administration. Europe, which is not a priority for the US, could miss the opportunity of a closer alliance.”*

Several speakers warn that the UE-US economic relationship – while certainly extremely important, with more than 50% of international trade and foreign investment – could stagnate or even recede in importance, if political will came to be lacking. *“Each time that barriers are raised between us, as with the case of WTO standards, a threat hangs over the transatlantic relationship.”* Several such warnings are made. *“The biggest change brought by the Obama administration could be serious for the EU – because a change of partner is possible for the United States, but not for Europe. The Asian and Pacific temptation is very strong. This is a very dynamic zone which holds much promise.”*

It is therefore important not to prejudge the solidity of the relationship. *“This can never be taken for granted. It is a dangerous myth for Europeans, because our common values are not sufficient to take care of everyday problems.”* A participant remarks that *“90% of our energy resources originate in countries where human rights are not respected. There needs to be more coherence of action, but what can be done? What citizen worried about feeding his family is concerned to know how many people were killed for him to have access to energy?”* Conversely, other speakers see commonly held Western values as a binding force in an increasingly multi-polar world where non-Western and undemocratic countries are gaining influence.

“A new fresh start” for the EU-US relationship

“Does all this lead us towards a transatlantic New Deal? I do not think so. My hopes for Obama are very high but my expectations are middling.” Asked to assess the importance of the changes in progress, the speakers are unanimous that the new American administration is a positive development. Common values and the importance of EU-US economic and trading ties provide the critical mass necessary to begin work, together, on a new system of global governance. The context of economic and financial crisis should also encourage both sides to work together towards a new transatlantic process. But these changes must not feed illusory expectations. It is the Europeans who remain at the helm and most able to bind the transatlantic relationship to the new situation. For only a deepening of European integration will allow the EU to move decisively towards a dialogue of equality with its American partner.

Programme

Europe-United States: A New Deal?

Transatlantic Cooperation: Changing Context, New Actors

Transatlantic Policy Forum

First Advocacy Event

Wednesday, 17 December 2008, 10am-5pm

Salons de la Maison des Arts et Métiers
9 bis, Avenue d'Iéna, Paris 16ème

Transatlantic Policy Forum

With Washington's EU-US summit in June 2009 rapidly approaching, European and American think tanks have created a "Transatlantic Forum" to produce and propose suggestions for a new partnership between the European Union and the United States.

*After one year of work, the task force will present its first policy recommendations on **Wednesday, December 17, 2008** in Paris. This meeting will be the first in a series of similar exchanges to be held in the project's capital cities (Brussels, Prague, Stockholm, and Washington). The upcoming meeting in Paris will keep in mind contextual issues relating to the upcoming transition between the French and Czech presidencies of the European Union. This day will provide both speakers and attendees with the chance to express their points of view on the **"New Deal" in EU/US relations** harkened by the arrival of a new American administration and on the eve of important personnel changes in the European political community (European Commission and Parliament).*

Four themes will be at the center of the day's reflections: energy security and climate change; EU-US cooperation in the EU neighbourhood; WTO and other trade issues; and democracy assistance and promotion.

Morning Session 10.00am – 1.00pm



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Task Force Analyses and Recommendations

Introduction “Transatlantic Policy Forum” Project Presentation

David Král, Director, EUROPEUM Institute for European Policy, Prague

What Kind of Cooperation for Common Challenges?

Analyses and recommendations of the task force

1. WTO and Trade Issues

Jean-Christophe Bureau, Agro Paris-Grignon, *Notre Europe*

Discussant: Joe Guinan, The German Marshall Fund of the US, Brussels

Floor Discussion

2. EU-US Cooperation in the EU Neighbourhood

Vera Rihackova, Research Fellow, EUROPEUM Institute for European Policy, Prague

Discussant: Nida Gelazis, Program Associate and Editor, East European Studies, The Woodrow Wilson Center, Washington

Floor Discussion

3. Democracy Assistance and Promotion

John K. Glenn, Director of Foreign Policy, The German Marshall Fund of the US, Washington

Discussant: **Luca Bader**, Executive director, Institute of European Democrats, Brussels

Floor Discussion

4. Energy Security and Climate Change

William Siefken, Senior associate, Center for Strategic and International Studies, Washington

Discussant: **Cyril Loisel**, Coordinator of the Climate programme, Institute for Sustainable Development and International Relations, Paris

Floor Discussion

Afternoon Session 2.30pm- 5.00pm

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International Conference

EU-US: a New Deal?

Introduction by the Presidencies of the Council of the European Union

Opening Remarks

Denis Simonneau, Director of Cabinet for the French Secretary of State for European Affairs

The forthcoming EU Presidency

Vaclav Bartuska, Ambassador-at-large for energy security of the Czech Republic

Summary and Recommendations from morning session

Roundtable: A New Transatlantic Political and Economic Deal?

Moderator:

Christian Lequesne, Senior Research Fellow, CERI - Sciences-Po

Speakers:

François Bayrou, President of the French Democratic Movement

Joachim Bitterlich, Executive Vice-president of Veolia Environnement, Vice-president of *Notre Europe*

Laurent Cohen-Tanugi, Lawyer and essayist

Sandro Gozi, Member of the Italian Parliament

Seth Winnick, Minister Counsellor for Economic Affairs, Embassy of the United States, France

Floor discussion

Closing Remarks

Gunnar Lund, Ambassador, Embassy of Sweden, France

Partner think tanks of the Transatlantic Policy Forum

