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## Special relationships in flux: Brexit and the future of the US-EU and US-UK relationships

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**Special Relationships in Flux:**

**Brexit and the future of the US-EU and US-UK relationships**

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**Abstract**

*A British exit from the EU would add to growing strains on the USA's relations with Britain and the rest of Europe, but by itself would not lead to a breakdown in transatlantic relations due to the scale of shared ideas and interests, institutional links, international pressures and commitments by individual leaders. It would, however, add to pressures on the US that could change the direction of the transatlantic relationship. From the perspective of Washington, Britain risks becoming an awkward inbetweenner, beholden more than ever before to a wider transatlantic relationship where the US and EU are navigating the challenges of an emerging multipolar world. The article outlines developments in the UK, EU, Europe and the USA in order to explain what Brexit could mean for the USA's approaches to transatlantic relations. By doing so the paper moves beyond a narrow view of Brexit and transatlantic relations that focuses on the future of UK-US relations. In the conclusion we map out several ways in which US views of the transatlantic relationship could be changed.*

***Introduction***

If the United Kingdom votes to leave the European Union in the upcoming referendum then one of the United States' closest allies, one of the EU's largest member states and a leading member of NATO will negotiate a withdrawal from the EU, also known as 'Brexit'. While talk of a UK-US 'special relationship' or of Britain as a 'transatlantic bridge' can be overplayed, not least by British prime ministers, the UK is a central player in US-European relations.<sup>1</sup> This reflects not only Britain's close relations with Washington, its role in European security, and membership of the EU. It also reflects America's role as a European power and Europe's interests in the USA.

A Brexit has the potential to impact transatlantic relations significantly. It will change the UK as a country and its place in the world. It will also change the EU, reshape European geopolitics, impact NATO, and change the US-UK and US-EU relationships and their place in the world. Such is the potential for Brexit to affect the USA that in an interview with the BBC's Jon Sopel in the summer of 2015, President Obama stated:

*I will say this, that having the United Kingdom in the European Union gives us much greater confidence about the strength of the*

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<sup>1</sup> The literature on the UK-US relationship is vast. Examples include John Baylis, *Anglo-American relations since 1939: The enduring alliance* (Manchester: Manchester University Press, 1997); John Dumbrell, John Dumbrell, *A special relationship: Anglo-American relations from the Cold War to Iraq* (London: Palgrave, 2006) and Andrew Gamble, *Between Europe and America: the future of British politics* (London: Palgrave, 2003)

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*transatlantic union and is part of the cornerstone of institutions built after World War II that has made the world safer and more prosperous.*

*And we want to make sure that United Kingdom continues to have that influence. Because we believe that the values that we share are the right ones, not just for ourselves, but for Europe as a whole and the world as a whole.<sup>2</sup>*

The possible implications for the UK of withdrawing from the EU have been examined in a wide range of reports and publications.<sup>3</sup> However, there is much less analysis of what Brexit might mean for wider international relations, especially the EU but also for the USA.<sup>4</sup> Discussion in the USA about a possible Brexit has been muted. A surge of interest can be expected closer to

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<sup>2</sup> 'Full Transcript of BBC Interview with President Barack Obama', BBC News, 24 Jul 2015, <http://www.bbc.co.uk/news/world-us-canada-33646542>, accessed Feb 2016.

<sup>3</sup> For a comprehensive list of publications see Julie Gill *The UK and the EU: reform, renegotiation, withdrawal? A reading List*. House of Commons Library Briefing Paper No. 07220 (London: The Stationery Office, 2015), <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7220>, accessed Dec 2015.

<sup>4</sup> Some exceptions include: Tim Oliver, *Europe without Britain: assessing the impact on the EU of a British withdrawal*, SWP Research Paper 2013/RP 07, Sept. 2013, pp. 18–26, [http://www.swp-berlin.org/en/publications/swp-research-papers/swp-research-paper-detail/article/europe\\_without\\_britain.html](http://www.swp-berlin.org/en/publications/swp-research-papers/swp-research-paper-detail/article/europe_without_britain.html), accessed Feb 2016; Almut Möller, and Tim Oliver, (eds.), *The United Kingdom and the European Union: What would a "Brexit" mean for the EU and other States around the World?* Berlin: (Berlin: Deutsche Gesellschaft für auswärtige Politik, 2014); Gregor Irwin, G. *Brexit: the impact on the UK and the EU*, (London: Global Counsel, 2015); and Mark Leonard, *The British Problem and What it Means for Europe*. (London: European Council on Foreign Relations, 2015), [http://www.ecfr.eu/publications/summary/the\\_british\\_problem\\_and\\_what\\_it\\_means\\_for\\_europ](http://www.ecfr.eu/publications/summary/the_british_problem_and_what_it_means_for_europ) e311252, accessed Feb 2016.

the referendum date, especially if – as happened with Scotland’s independence referendum – a vote to leave looks increasingly likely.<sup>5</sup> As a February report in *Politico* put it, ‘If Washington talks about Europe at all, it’s about migration and Greece, not about Britain’s EU future.’<sup>6</sup> This is despite the referendum being, along with the US presidential election, one of the year’s most expected signposts on the direction of international relations.<sup>7</sup>

For this reason, debates about Britain’s future in the EU should not ignore the potential wider knock-on effects of the UK’s decision. In Britain debate about the transatlantic relationship often focuses exclusively on UK-US relations.<sup>8</sup> Similarly, debate in the USA focuses largely on bilateral relations with EU member states such as the UK. These debates would benefit from a perspective gained from stepping back and viewing the UK’s decision within the full breadth of the complex and deeply interconnected US-Europe relationship.

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<sup>5</sup> See comment above...

<sup>6</sup> Benjamin Oreskes, ‘America’s Brexit Blahs’ *Politico*, 15 February 2016. <http://www.politico.eu/article/whats-brex-it-in-american-congress-obama-washington-america/>, accessed Feb 2016.

<sup>7</sup> Tina Fordham and Jan Techau, *Global Political Risk: the new convergence between geopolitical and vox populi risks, and why it matters*. Citi GPS, January 2016, p.48.

<sup>8</sup> As the House of Commons Foreign Affairs Committee argued in 2010, the use of the term ‘the special relationship’ should be changed to ‘a special relationship’ in recognition of the other special relationships the UK and US have, not least in the transatlantic arena. See House of Commons Foreign Affairs Committee, *Global Security: UK-US Relations*. London: House of Commons, HC114, 2010, p3.

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Britain's decision to question its membership of the EU is one in a series of challenges facing US foreign policy and the transatlantic relationship. If the US has a 'special relationship' with the UK then it can also be said it has a relationship that is special with Europe as a whole because of shared ideas, deeply entwined economic and security interests, multilateral and bilateral institutional links, international pressures, and commitments by individual leaders. Each of these is under pressure because of the US pivot to East Asia; ongoing tensions between the US and European states over defence spending and geopolitical views of emerging powers and security risks;<sup>9</sup> changing attitudes towards the wider multilateral international order, including in trade; and growing 'nativist' impulses and anti-liberal world order tendencies in US and European party politics.

To examine how Britain's debate about its future relationship with the EU plays into these mounting pressures facing the USA, this paper is divided into three sections. In the first section we provide some context by setting out in more detail the aforementioned international and domestic pressures facing US foreign policy. The article then turns to the UK to discuss US views on the place of the EU in the US-UK relationship. Third, we look to the rest of Europe and the EU itself and what the UK has meant for the US in its relations with Europe (including through NATO) and how the US-EU/European relationship could work should the UK withdraw from the EU. In the conclusion we outline three scenarios – the good, the bad and the ugly – as to how US approaches

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<sup>9</sup> Luis Simón, 'Europe, the rise of Asia and the future of the transatlantic relationship' *International Affairs*, 91: 5, 2015, pp 969-989.

to the UK, EU and Europe might evolve. We argue the US-European relationship (whether with the EU or through other channels such as NATO) can remain strong as a result of shared ideas, common interests, institutional links, international pressures and commitments by individual leaders. Nevertheless, Brexit could significantly damage US approaches to relations with Europe if it coincided and mixed with other challenges such as another Eurozone crisis or an event in Asia that strained US-European security relations.

### ***Transatlantic Tensions***

For the USA, the transatlantic relationship remains the most important relationship, albeit one that faces four sets of challenges, which also frame how the USA views the Brexit debate. The relationship we know today owes its existence to the Second World War and the Cold War, conflicts that bound the USA to Europe.<sup>10</sup> Shared values of liberal democracy, free market capitalism and a history of political, cultural and ethnic links provided a set of values and economic interests that helped bind the two sides together in the struggles against fascism and communism. The end of the Cold War brought with it a host of predictions that the US-European politico-military relationship in NATO was doomed.<sup>11</sup> Yet their economic, political, social and military links provided enough strength to buttress the relationship in the post-Cold War world. These ties continue to bind the two sides together. This is most evident

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<sup>10</sup> See Jussi Hanhimaki, Benedict Schoenborn and Barbara Zanchetta , *Transatlantic relations since 1945: an introduction*. (Routledge, 2012).

<sup>11</sup> The most famous of these being John Mearsheimer's 'Back to the Future' *International Security* Vol. 15, No. 1, Summer 1990.

in attempts to create a US-EU free trade deal – the Transatlantic Trade and Investment Partnership (TTIP). Together the USA and EU account for 35 per cent of global GDP, US-EU trade in goods and services amounted to \$1 trillion in 2013, with a US trade deficit of \$106.5 billion. The heart of the relationship is foreign direct investment (FDI), one that dwarfs their other FDI relationships. US FDI in the EU totals \$2.4 trillion (or about 56 per cent) of total US investment abroad while EU companies accounted for \$1.7 trillion (or about 62 per cent) of investment in the US.<sup>12</sup>

NATO remains the world's preeminent military alliance, with combined US-European defence spending in NATO at \$893 billion.<sup>13</sup> The US alone, NATO's largest member, accounts for nearly 40% of global defence spending, whereas the nearest peer competitors, Russia and China, account for only 5.2% and 9.5% respectively.<sup>14</sup> The US military presence in Europe combined with financial (in the early stages) and political support has provided valuable support for European integration and the creation of an EU that today unites most of Europe. Together the USA and Europe have shaped global governance whether through the UN Security Council or the international economic architecture and worked together to reach deals such as the recent

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<sup>12</sup> Data from the Congressional Research Service, quoted in Phil Bednarczyk and Andrew Whitworth 'US Perspectives on the transatlantic trade and economic relationship' in Tim Oliver (ed.) *New Challenges, New Voices: Next Generation Viewpoints on Transatlantic Relations*, LSE IDEAS, forthcoming 2016.

<sup>13</sup> Andrew Chuter, 'NATO Defense Spending Continues to Decline', *Defense News*, 15 Jun. 2015, <http://www.defensenews.com/story/defense/policy-budget/budget/2015/06/23/nato-reports-alliance-members-defense-spending-decline/29153965/>, accessed Feb 2016.

<sup>14</sup> SIPRI Military Expenditure Database 2014, [http://www.sipri.org/research/armaments/milex/milex\\_database](http://www.sipri.org/research/armaments/milex/milex_database), accessed Feb 2016.



Joint Comprehensive Plan of Action with Iran and the Minsk II agreement over Ukraine. Little surprise then that Atlanticism has been a defining part of the international outlooks on both sides of the North Atlantic, not least amongst the political elites and individual leaders.<sup>15</sup>

Nevertheless, for the USA the relationship with the UK and the rest of Europe faces four significant challenges. First, the US is shifting its attention away from Europe as emerging powers shift the world from one centred on the economies of the North Atlantic to one with various centres of economic power, most notably in Asia. That shift is intended to preserve stability in a region of vital importance to the US, Europe and the wider liberal order they have sought to build.<sup>16</sup> Despite this the pivot has fuelled fears of a decline of US global power causing power vacuums and 'great power sclerosis' that will lead to instability and opportunism by revisionist powers.<sup>17</sup> The diffusion of economic power and disruptive technologies have led to a rise in military spending and capabilities. Many fear this enables revisionist foreign policies that seek to end not just regional hegemonic dominance by the US, but also eventually global institutions created by the USA and Europe over the last 70

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<sup>15</sup> See Linda Basile and Pierangelo, 'Tectonic Rifts and a Transatlantic Bridge: Insights from the Transworld Elite Survey' *Transworld Op-Ed*, 28 Aug. 2014, <http://www.transworld-fp7.eu/?p=1576>, accessed Feb. 2016.

<sup>16</sup> Luis Simón, 'Britain, the EU and the Future of Europe: A Geostrategic Perspective', *RUSI Journal*, Vol. 160, No. 5, October/November 2015, pp16-23.

<sup>17</sup> Tina Fordham and Jan Techau, *Global Political Risk: the new convergence between geopolitical and vox populi risks, and why it matters*. Citi GPS, January 2016, pp. 17-21.

years.<sup>18</sup> The USA has countered through efforts such as the Trans Pacific Partnership (TPP) and TTIP, both of which are intended to boost the existing rules-based system. While no viable global alternatives have so far been put forward, the emergence of smaller regional organisations such as the Asian Infrastructure Investment Bank (AIIB) has led to speculation as to the sustainability of existing international arrangements.<sup>19</sup>

Second, long-running US unease at low levels of European defence spending have reached a point where the USA's willingness to commit to Europe's security has been thrown into doubt. This has raised concerns about the viability of NATO; Washington provides 75% of NATO's budget and only four other members meet the minimum contribution threshold of two per cent (Britain, Poland, Greece and Estonia).<sup>20</sup> This imbalance will only grow if the US goes ahead with a plan to increase European defence spending from \$789 million to \$3.4 billion.<sup>21</sup> Despite this commitment, US decision makers are growing increasingly tired of providing a security guarantee for a Europe that seems unwilling to burden share, even in the face of an increasingly

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<sup>18</sup> John Mearsheimer, 'The Gathering Storm: China's Challenge to US Power in Asia', *Chinese Journal of International Politics*, 3: 4, 2010, pp. 381-396.

<sup>19</sup> Ramesh Thakur, 'A Lesson in the Geopolitics of Infrastructure Finance', *Japan Times*, 21 Jun. 2015; Shawn Donnen, 'White House Declares Truce with China over AIIB', *Financial Times*, 27 Sep. 2015.

<sup>20</sup> Naftali Bendavid, 'Just Five of 28 Members Meet NATO Defense Spending Goal, Report Says', *The Wall Street Journal*, 22 Jun. 2015.

<sup>21</sup> 'Remarks by Secretary Carter on the Budget at the Economic Club of Washington D.C.', 2 February 2016. <http://www.defense.gov/News-Article-View/Article/648373/carter-previews-fy2017-defense-budget-request>, accessed Feb. 2016.

assertive Russia and a world in which defence spending is on the rise.<sup>22</sup> With the rise of China, American policy-makers are increasingly focusing their energy on the Far East and commitments to allies such as Japan, South Korea and the Philippines rather than Europe.<sup>23</sup> There is also a very practical side to the defence spending disparity between the US and Europe. It is becoming increasingly difficult for US forces to work with other NATO forces because of an emerging technology gap. US military forces are growing ever more technologically advanced, while lacklustre defence spending and a lack of R&E and R&D spending mean that at some point in the future European NATO forces – including those of the UK – may not be able to work alongside US military forces.<sup>24</sup> NATO may continue to endure, but it might well be irrelevant.<sup>25</sup>

Third, Europe's fragmented defence cooperation is a reflection of, and perhaps harbinger, of weakening European – especially EU – unity and

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<sup>22</sup> Tina Fordham and Jan Techau, *Global Political Risk: the new convergence between geopolitical and vox populi risks, and why it matters*. Citi GPS, January 2016, p27.

<sup>23</sup> Luis Simón, 'Europe, the rise of Asia and the future of the transatlantic relationship', *International Affairs*, 91: 5, 2015; Jean-Yves Haine, 'A new Gaullist moment? European bandwagoning and international polarity', *International Affairs*, 91: 5, 2015; Thom Shanker and Steven Erlanger, 'Blunt US Warning Reveals Deep Strains in NATO' *New York Times*, 10 Jun 2011, [http://www.nytimes.com/2011/06/11/world/europe/11nato.html?\\_r=0](http://www.nytimes.com/2011/06/11/world/europe/11nato.html?_r=0), accessed Feb. 2016.

<sup>24</sup> Eric Larson, Gustav Lindstrom and Myron Hura et al. *Interoperability of US and NATO Allied Air Forces: Supporting Data and Case Studies*, (Washington DC: RAND, 2003); Donald C. Daniel, 'NATO Technology: from Gap to Divergence?' *NDU, Defence Horizons* No. 42, 2004; Terry Terrif, Frans Osinga and Theo Farrell, *A Transformation Gap: American Innovations and European Military Change* (Palo Alto: Stanford University Press, 2011).

<sup>25</sup> Michael John Williams, "Enduring, but Irrelevant? Britain, NATO and the Future of the Atlantic Alliance" *International Politics* 50: 3 (2013).

cooperation. The Eurozone's economic crisis has raised a host of questions about the viability of European integration.<sup>26</sup> The economic and social costs to large areas of the EU have been substantial. Russian aggression in Ukraine has confirmed opinions held by some in the USA that the EU has overlooked the importance of hard power and as a result of its civilian power mentality is inherently incapable of facing the demands of global power politics. Support for nationalist parties and Euroscepticism has reached new heights as a result of a series of migration and refugee challenges from North Africa and the Middle East that threaten the continued existence of the Schengen free-travel area that covers most of the EU. This problem was brought into focus by the terrorist attacks in Paris on 13 November 2015, an event that led US lawmakers to question the future of visa waiver programs with Europe.<sup>27</sup> As Rem Korteweg of the Centre for European Reform summarised the situation, the EU appears surrounded by the Four Horsemen of the Apocalypse: War haunts Ukraine, Death harvests refugees in the Mediterranean, Famine brings economic hardship to Greece, and Pestilence is busy spreading scepticism from Britain.<sup>28</sup>

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<sup>26</sup> Jan Zielonka, *Is Europe Doomed?* (Cambridge: Polity Press, 2014).

<sup>27</sup> Alexandra Starr, 'Lawmakers Look to Change US Visa Waiver Program', *National Public Radio*, 20 Nov. 2015, <http://www.npr.org/sections/thetwo-way/2015/11/20/456777537/lawmakers-look-to-change-u-s-visa-waiver-program>, accessed Feb. 2016.

<sup>28</sup> Rem Korteweg, 'The Four Horsemen Circling the European Council Summit' (London: Centre for European Reform) 24 Jun. 2015, <http://www.cer.org.uk/insights/four-horsemen-circling-european-council>, accessed Feb. 2016.

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Fourth, the EU's fragmentation is in no small part thanks to growing nationalist, inward looking and populist agendas. These are not only found in Europe; the USA has seen a similar surge. The economic success of authoritarian models, the stability of states with strong governments compared to the chaos seen in states – especially middle eastern ones – that have tried to transition to democracy have thrown into question US and European ideas and hopes of humanity moving towards a Western, liberal, interconnected world. They also contrast with an EU in a state of crisis and a US system of government prone to shut down and political paralysis. One outcome is that traditional institutions and sources of authority in both the US and Europe are increasingly questioned. In the USA this has helped turn political debates inward.

Just like in the UK and elsewhere in the EU, US politicians have been uneasy at sharing sovereignty, projecting onto the concept an almost mythical quality that can protect the US from the complexities and dangers of the world. US politics has seen a surge in support for politicians prepared to pursue more populist and, to varying extents, isolationist agendas. While support for such positions has been most noticeable within the Republican Party, the Democrats have also wrestled with a growing unease within the US electorate over the economic and social effects of globalisation, liberalisation and US involvement in overseas conflicts. This is hardly surprising when the American middle class has seen their incomes stagnate to the point that they are no longer the country's economic majority; those in lower and upper income

households now match them.<sup>29</sup> As a result, strategic efforts such as TTIP and TPP have faced strong domestic opposition.<sup>30</sup> It is important to note, however, that this populism has exploited rifts in transatlantic relations, not caused them.<sup>31</sup>

Finally, as has happened in Europe, the USA's changing demographics and immigration have shaped political debates in ways that have strengthened the voices of those concerned at such changes.<sup>32</sup> The USA's ethnic white majority will become a super-minority by 2050.<sup>33</sup> Muslim communities are viewed with suspicion in both continents. The millennial generation might lack such negative views and be more comfortable with such a world, but mistrust of the USA by European millennials and indifference towards Europe by their

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<sup>29</sup> 'The American middle class is losing ground: no longer the majority and falling behind financially', Pew Research, 9 December 2015.

<http://www.pewsocialtrends.org/2015/12/09/the-american-middle-class-is-losing-ground/>, accessed Feb. 2016.

<sup>30</sup> Tina Fordham and Jan Techau, *Global Political Risk: the new convergence between geopolitical and vox populi risks, and why it matters*. Citi GPS, January 2016, p.43.

<sup>31</sup> Phil Bednarczyk and Andrew Whitworth 'US Perspectives on the transatlantic trade and economic relationship' in Tim Oliver (ed.) *New Challenges, New Voices: Next Generation Viewpoints on Transatlantic Relations*, LSE IDEAS, forthcoming 2016.

<sup>32</sup> Matthew Goodwin and Caitlin Milazzo, 'Britain, the European Union and the Referendum: What drives Euroscepticism?' *Chatham House Briefing*, Dec. 2015, <https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/20151209EuroscepticismGoodwinMilazzo.pdf>, accessed Feb. 2016.

<sup>33</sup> Sam Roberts, 'Projections put whites in minority in U.S. by 2050' *New York Times*, 17 December 2009. [http://www.nytimes.com/2009/12/18/us/18census.html?\\_r=0](http://www.nytimes.com/2009/12/18/us/18census.html?_r=0) , accessed Mar 2016.

American counterparts do not suggest strong foundations for the future of US-European relations.<sup>34</sup>

### ***US-British Relations***

When in 1962 retired US Secretary of State Dean Acheson famously told US Army Officer Cadets at West Point that, 'Great Britain has lost an empire and has not yet found a role' he immediately followed this with the sentence, 'The attempt to play a separate power role apart from Europe, a role based on a "special relationship" with the U.S. and on being the head of a "commonwealth" which has no political structure, unity, or strength—this role is about played out.'<sup>35</sup>

His warning about playing 'a separate power role apart from Europe' has not been one the British have willingly heeded. Despite this, the UK has played a central part in both US engagement in Europe's geopolitics and the development of the EU. Acheson's speech reflected a growing opinion in Washington D.C. that led US Administrations from Kennedy onwards to push for British participation in European integration. Acheson's speech was received in Britain with a barrage of criticism, a harbinger of the difficulties that were to follow in being a part of Europe rather than apart from it.<sup>36</sup> Britain's

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<sup>34</sup> Parke Nicholson, 'US views of politics and values in the transatlantic relationship' in Tim Oliver (ed.) *New Challenges, New Voices: Next Generation Viewpoints on Transatlantic Relations*, LSE IDEAS, forthcoming 2016.

<sup>35</sup> Dean Acheson, 'Our Atlantic alliance: the political and economic strands', speech delivered at the United States Military Academy, West Point, 5 Dec 1962.

<sup>36</sup> Douglas Brinkley, "Dean Acheson and the 'Special Relationship': The West Point Speech of December 1962," *The Historical Journal* 33:3, 1990, pp599-608.

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place in European integration has never been as settled as its desire to seek close relations with the USA.<sup>37</sup> When economic interests, combined with geopolitical fears that Britain was being excluded from US and European decisions shaping Europe, drove UK to seek membership, it all came with a sense of reluctance that has pervaded the relationship ever since.<sup>38</sup>

Despite this reluctance, for the USA Britain has been a central player in European integration and European geopolitics. This might not appear so from Britain's European political debate, or the UK's opt outs from the Euro, Schengen, and some justice and home affairs cooperation. Yet, on closer inspection, the UK has been a keen advocate of a range of policy areas that aligned with US positions. The Single Market's free trade and liberalisation, EU enlargement, EU cooperation on foreign, security and defence matters are all in part the product of UK's efforts.

British efforts to engage the USA in European affairs have themselves been aimed at ensuring the USA remains committed to European security and affairs. It is for this reason that the UK has been labelled a 'Janus faced' European, with one face – often domestic – being a poisonous debate about sovereignty, foreigners and nationalism and one where a preference for relations with the US is shown. The other closed, private face – often seen in

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<sup>37</sup> Timothy Garton Ash, 'Is Britain European?' *International Affairs*, 77: 1, 2001, pp. 1-14.

<sup>38</sup> See George, S. *An Awkward Partner: Britain in the European Community*. Oxford: Oxford University Press, 1988.



the meeting rooms of Brussels – is a more constructive, balanced and engaging one.<sup>39</sup>

This is not to deny that Britain's part in European integration has not been difficult or caused awkward moments for US relations with both the UK and EU. Successive American presidents have sought close relations with their British counterparts, but such relationships are one of many the occupants of the White House have with European leaders. This has not always resulted in harmonious relations. US-UK and US-EU relations reached a low-point over differences of opinion over the 2003 US led invasion of Iraq, with Tony Blair's strong support of the US effort putting him at odds with a number of other EU member states.<sup>40</sup> But in a sign of the wider hold of Atlanticism in European politics, Britain was not alone in supporting the USA – a majority of today's EU member states supported the Bush Administration. The split it brought about in the EU, however, strained both the USA's and Britain's relations with leading EU powers such as France and Germany that opposed the invasion.<sup>41</sup>

Subsequent British governments have attempted to steer a slightly different from Washington, in no small part as a response to the electorate's negative reaction to Blair's closeness with the Bush Administration. In the UK this fitted with a hope Britain could move away from relying on the USA and EU, the

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<sup>39</sup> Oliver, 'Europe without Britain.'

<sup>40</sup> BBC News, 'Blair "isolated" over Iraq' 16 March 2002.  
<http://news.bbc.co.uk/1/hi/uk/1876015.stm>, accessed Mar 2016.

<sup>41</sup> William Wallace and Tim Oliver, 'A bridge too far: the United Kingdom and the transatlantic relationship', in David Andrews, ed., *The Atlantic alliance under stress: US–European relations after Iraq*. Cambridge: Cambridge University Press, 2005.

twin pillars on which Britain has built its claim to great power status since 1945. While the US continued to look to Britain for leadership, under Obama the US has also focused more intently on other relationships such as Japan and East Asia. These efforts, however, have not challenged the closeness of relations in the military fields – nuclear weapons, intelligence sharing, and Special Forces – where the US and UK have remained extremely close. British operations in Afghanistan were seen through to the end in no small part as a demonstration of commitment to the USA and the Atlantic alliance.<sup>42</sup> Instead of attempting to be some form of transatlantic bridge, an approach that under Tony Blair seemed to have traffic that went only one way, the US has found Cameron and his administrations to be more willing to be a part of coalitions where the US works with like-minded allies in Europe. This doesn't mean relations have been easy. The war in Libya was a clear example of where both NATO and the EU were viewed in Washington as incapable of leading without US support, even if that was to remain somewhat hidden.<sup>43</sup> Barack Obama's unease at the US taking the lead in another conflict soon ran into European divisions over the conflict, with Obama noting that David Cameron became 'distracted by a range of other things.'<sup>44</sup> The outcome of the conflict has deepened unease in the US at becoming involved in another war

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<sup>42</sup> Patrick Porter, 'Last charge of the knights? Iraq, Afghanistan and the special relationship', *International Affairs*, 86: 2, 2010, pp. 355–375.

<sup>43</sup> François Heisbourg, Wolfgang Ischinger, George Robertson, Kori Schake and Tomas Valasek, *All alone? What US retrenchment means for Europe and NATO*. London: Centre for European Reform, 2011.

<sup>44</sup> Jeffrey Goldberg, 'The Obama Doctrine' *The Atlantic*, April 2016.

in which European states depend on the US to do most of the fighting.<sup>45</sup> The 2013 House of Commons vote rejecting British involvement in military action in Syria was therefore in part seen in the USA as a rejection of continued cooperation (even if it was also a reflection of poor management by the government of its backbench MPs).<sup>46</sup> It created doubts in the USA and elsewhere about the UK's reliability as a strategic partner. The close result in Scotland's independence referendum also raised questions about the continued viability of the UK as a state. Severe cuts to British defence spending under the Cameron led governments since 2010 meant the UK looked like becoming one of the free riding allies that Obama – and a growing number of US politicians – have come to resent. Obama himself felt it necessary to pressure Cameron to ensure the UK met NATO's two per cent defence spending commitment.<sup>47</sup> Faced with emerging economic powers that have begun to draw American attention away from the UK and EU, US policy makers have found themselves faced with a UK that appears uncertain about what direction it should take in the world.<sup>48</sup>

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<sup>45</sup> Ellen Hallams and Benjamin Schreer, 'Towards a "post-American" alliance? NATO burden-sharing after Libya.' *International Affairs*, 88: 2, 2012, pp313-327.

<sup>46</sup> James Strong, 'Interpreting the Syria vote: parliament and British foreign policy' *International Affairs*, 91: 5, 2015, pp1123-1139.

<sup>47</sup> Jeffrey Goldberg, 'The Obama Doctrine' *The Atlantic*, April 2016.

<sup>48</sup> Fareed Zakaria, 'Britain resigns as a world power' *Washington Post*, 21 May 2015.

[https://www.washingtonpost.com/opinions/britain-resigns-as-a-world-power/2015/05/21/d89606f8-fff1-11e4-805c-c3f407e5a9e9\\_story.html](https://www.washingtonpost.com/opinions/britain-resigns-as-a-world-power/2015/05/21/d89606f8-fff1-11e4-805c-c3f407e5a9e9_story.html) accessed Mar 2016; and Griff Witte, 'World crises may be multiplying, but campaign turns Britain further inwards' *Washington Post*, 25 April 2015. [https://www.washingtonpost.com/world/europe/world-crises-may-be-multiplying-but-campaign-turns-britain-further-inward/2015/04/23/01c24e92-e51c-11e4-ae0f-f8c46aa8c3a4\\_story.html](https://www.washingtonpost.com/world/europe/world-crises-may-be-multiplying-but-campaign-turns-britain-further-inward/2015/04/23/01c24e92-e51c-11e4-ae0f-f8c46aa8c3a4_story.html) accessed Mar 2016.

2015 brought both clarity and uncertainty for US-UK relations. The new UK National Security Strategy and Strategic Defence and Security Review, increased defence spending and a vote reversing the 2013 decision on Syria, signalled that the UK was not retreating into isolation.<sup>49</sup> At the same time, its attempts to seek a renegotiated relationship with the EU have only brought uncertainty and strained relations.<sup>50</sup> It did not pass unnoticed on either side of the Atlantic that the UK had neglected, and at times abused, relations with some of its closest EU and NATO allies.<sup>51</sup> British political debate has appeared oblivious to how the 'British Question' has become a problem for the EU and, to a lesser extent, the USA.<sup>52</sup> This has raised questions in the US, Europe and amongst commentators in the UK about Britain's reliability as

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<sup>49</sup> Griff Witte, 'British defense chief: US concerns about shrinking UK role are misplaced' *Washington Post*, 18 June 2015. [https://www.washingtonpost.com/world/europe/british-defense-chief-us-concerns-about-shrinking-uk-role-are-misplaced/2015/06/18/58a99760-15af-11e5-8457-4b431bf7ed4c\\_story.html](https://www.washingtonpost.com/world/europe/british-defense-chief-us-concerns-about-shrinking-uk-role-are-misplaced/2015/06/18/58a99760-15af-11e5-8457-4b431bf7ed4c_story.html) accessed Mar 2016.

<sup>50</sup> Almut Möller, 'Germany' in Almut Möller and Tim Oliver (eds.), *The United Kingdom and the European Union: What would a "Brexit" mean for the EU and other States around the World?* (Berlin: Deutsche Gesellschaft für auswärtige Politik, 2014), pp. 23-25; and EUROPP, 'Cameron's letter: European views on the UK's renegotiation' *LSE European Politics and Policy (EUROPP) Blog*, 10 Nov 2015. <http://blogs.lse.ac.uk/europpblog/2015/11/10/camerons-letter-european-views-on-the-uks-renegotiation/>, accessed Feb. 2016.

<sup>51</sup> Maja Rasmussen, 'Heavy Fog in the Channel. Continent Cut Off'? British Diplomatic Relations in Brussels after 2010', *Journal of Common Market Studies*, 2015. Early online view: <http://onlinelibrary.wiley.com/doi/10.1111/jcms.12319/abstract;jsessionid=F8842B30461600E1373EEB8E6081D4C0.f02t03>, accessed Feb. 2016.

<sup>52</sup> Adrian Schout, 'If the British want to leave the EU, let them', *nrc.nl*, 8 Dec. 2015. <http://www.nrc.nl/handelsblad/2015/12/08/if-the-british-want-to-leave-the-eu-let-them-1568474>, accessed Feb. 2016.

an international partner.<sup>53</sup> The result is that on wider European matters the USA has looked more to Germany than to the UK for leadership in tackling European problems.

Britain's current debates about its relationship with the USA and EU project several possible futures. A renegotiated relationship inside the EU, as sought by David Cameron, could herald the beginning of a two-tier EU, with the UK located firmly in an outer tier where states focus on economic and some limited political integration. This could make the Eurozone the heart of the EU, making it and its institutions and member states the most influential actors in Europe's politics, economics and non-traditional security matters. Or the UK could opt to withdraw, although not even Brexit campaigners are clear as to what this would entail or where it would leave the UK geopolitically in Europe.<sup>54</sup> It would almost certainly leave the UK living in the shadow of the EU more so than for a UK in a two-tier EU.

The US enters the UK's EU debate in a narrow way. The US-UK economic relationship is substantial, with US foreign direct investment in the UK at \$571 billion with the UK being home to \$4.97 trillion of US corporate overseas

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<sup>53</sup> See *Strengthening Britain's Voice in the World* (London: Chatham House, 2015), <https://www.chathamhouse.org/publication/strengthening-britain-s-voice-world>, accessed Feb. 2016; Nick Kitchen, 'Investing for Influence: Report of the LSE Diplomacy Commission' LSE IDEAS, November 2015, <http://www.lse.ac.uk/IDEAS/publications/reports/influence.aspx>, accessed Feb. 2016; and Robin Niblett, 'Britain, Europe and the World: Rethinking the UK's circles of influence', *Chatham House Research Paper*, October 2015.

<sup>54</sup> Stephen Booth and Christopher Howarth, *Trading Places: Is EU membership still the best option for UK trade?* (London: Open Europe, 2012).

assets. UK investments in the USA stood at \$518.6 billion in 2013, with UK corporate assets totalling \$2.39 trillion.<sup>55</sup> Some Eurosceptics, and supporters of British withdrawal in the USA (located on the right of the Republican party) therefore voice support for the idea of the UK joining NAFTA or adopting some other form of trade deal with the USA as a substitute for relations with the EU.<sup>56</sup> Some even talk of the need to engage the USA in building up the 'Anglosphere', especially with Commonwealth countries such as Canada, Australia and New Zealand with some mention of countries such as India or states in Africa.<sup>57</sup> The official US response has been largely dismissive of such ideas, arguing that the US is only interested in TTIP with the UK firmly part of that.<sup>58</sup> A British vote to leave the EU may shift this, with some Republicans already arguing a UK-US deal could be secured.<sup>59</sup> However, as we discuss further below, whatever deal is secured would be framed by any US-EU trade deal.

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<sup>55</sup> Dan Hamilton and Joseph Quinlan, *The Transatlantic Economy 2015*, (Washington D.C.: Center for Transatlantic Relations, Johns Hopkins University School of Advanced International Studies, 2015), p. 93.

<sup>56</sup> Ted Bromund and Nile Gardiner, 'Freedom from the EU: Why Britain and the US should pursue a US-UK Free Trade Area', *Heritage Foundation, Backgrounder No. 2951*, September 2014. <http://www.heritage.org/research/reports/2014/09/freedom-from-the-eu-why-britain-and-the-us-should-pursue-a-usuk-free-trade-area>, accessed Feb. 2016.

<sup>57</sup> Ben Wellings and Helen Baxendale, 'Euroscepticism and the Anglosphere: Traditions and Dilemmas in Contemporary English Nationalism', *Journal of Common Market Studies*, 53: 1, 2015, pp. 123–139.

<sup>58</sup> Laurens Cerulus, 'Froman tells UK: no to EU means no to trade deal.' *Politico*, 28 October 2015. <http://www.politico.eu/article/us-not-in-market-britain-trade-deal-ttip-brexite/> accessed Feb. 2016.

<sup>59</sup> Rhys Blakely and Tim Montgomerie, 'Rubio gives Britain his blessing to leave Eu', *The Times*, 18 November 2015. <http://www.thetimes.co.uk/tto/news/world/americas/article4616563.ece>, accessed Feb 2016.

Diplomats and officials in the USA, as in other allies of the UK, are also conscious of the potential damage the UK could inflict on itself through withdrawal from the EU. Brexit holds the potential to trigger another Scottish independence referendum with all the security implications this could bring with it, not least surrounding US-UK cooperation over Trident nuclear weapons<sup>60</sup> The Northern Ireland peace process could be tested to breaking point should the UK-Irish common travel area have to end. The Irish Republic has repeatedly warned that the economic and security implications for it and Northern Ireland mean that unlike over the 2014 Scottish referendum it will make clear a position of opposing British withdrawal.<sup>61</sup> Like the Irish government, the US government will be mindful of how a descent into violence in the province should not be overlooked.<sup>62</sup> In a wider sense Brexit would challenge US ideas of the UK as a great power. While predictions of the economic and political costs to Britain from leaving the EU can be overly pessimistic, it is clear that there would be costs.<sup>63</sup> Being able to directly draw

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<sup>60</sup> Andrew Dorman, 'More than a storm in a teacup: the defence and security implications of Scottish independence', *International Affairs*, 90: 3, 2014, pp. 679–696.

<sup>61</sup> Denis Staunton, 'Brexit prospect "major strategic risk for Ireland" – Taoiseach' *The Irish Times*, 9 Nov 2015. <http://www.irishtimes.com/news/politics/brexit-prospect-major-strategic-risk-for-ireland-taoiseach-1.2422787> accessed Mar 2016.

<sup>62</sup> For a discussion of the possible implications for Ireland, see Barrett, A., Bergin, A., FitzGerald, J., Lambert, D., McCoy, D., Morgenroth, E., Siedschlag, I. and Studnicka, Z. 'Scoping the possible Economic Implications of Brexit on Ireland' *ESRI Research Series*, Dublin: The Economic and Social Research Institute, 2015. <https://www.esri.ie/pubs/RS48.pdf>, accessed Feb. 2016.

<sup>63</sup> Swati Dhingra and Thomas Sampson, *Life after BREXIT: What are the UK's options outside the European Union?* Centre for Economic Performance, Paper Brexit01, February 2016; and Ulrich Schoof, *Brexit – potential economic consequences if the UK exits the EU*,

on the economic power of the EU as a force enabler has been central to British ideas of being a great power. Without the UK, France would become the de facto permanent EU representative on the UNSC, bolstering its claim to retain its permanent seat. Other options, such as UK membership of NAFTA, lack much substance and offer the UK few strategic options to uphold a claim to being a major world power. Increased British military commitments in places such as the Gulf or East Asia are, like similar French commitments, overlooked.<sup>64</sup> The UK might still be one of the leading soft powers in the world, but as a strategic actor it appears paralysed by its own internal debates, whether over Scotland, English nationalism, the place of London or future in the EU.<sup>65</sup> This navel-gazing has led to Britain's invisibility in Ukraine, its shunning any involvement in the fight to save the Eurozone, and a lack of solidarity with other European countries over the immigration crisis, each of which has raised concerns for US foreign policy. Whether on matters connected to the future of Europe or around the world, the UK risks losing its value to the USA as a strategic partner.

## **US-European Relations**

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Bertelsmann Stiftung, Policy Brief, May 2015. [https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/Policy-Brief-Brexit-en\\_NW\\_05\\_2015.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/Policy-Brief-Brexit-en_NW_05_2015.pdf), accessed Feb. 2016.

<sup>64</sup> See Xenia Wickett and Jacob Parakilas, *Transatlantic Rifts: Asia-Pacific Scenario Case Study*. Chatham House research paper, February 2016

<sup>65</sup> 'Power: Softly does it' *The Economist*, 18 July 2015.

<http://www.economist.com/news/britain/21657655-oxbridge-one-direction-and-premier-league-bolster-britains-power-persuade-softly-does-it>, accessed Feb. 2016.



*The USA and European Unity*

The political, economic and social integration of Europe in the second half of the twentieth century is perhaps the most stunning evolution of regional politics in modern history. This integration was made possible in no small part through the presence of US troops in Western Europe and the creation of NATO via the Washington Treaty in 1949. Even today there remains a sizeable US military presence in Europe, which remains a vital protection for European integration and cooperation.<sup>66</sup> Pax Americana through NATO and the US military presence allowed European states – including Britain – to worry less about aggression from neighbouring countries. It also gave them space to develop more pacific integration initially based on economic cooperation, followed then by more politico-military integration first in NATO, and later in the European Community and then the European Union. The USA's concerns about Europe mirror to some extent the UK's own. For centuries the UK's leading geopolitical concern has been the balance of power in Europe, with the central concern being to stop any preeminent power from emerging as a threat.<sup>67</sup>

Despite the positive role that the US played in Europe following World War II, the European project has had a tense relationship with that American role in

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<sup>66</sup> Jan Techau, *The Politics of 2 Percent: NATO and the Security Vacuum in Europe*, Carnegie, September 2015.

[http://carnegieendowment.org/files/CP\\_252\\_Techau\\_NATO\\_Final.pdf](http://carnegieendowment.org/files/CP_252_Techau_NATO_Final.pdf)

<sup>67</sup> Luis Simón, 'Britain, the EU and the Future of Europe: A Geostrategic Perspective', *RUSI Journal*, Vol. 160, No. 5, October/November 2015, pp16-23.

### *Special Relationships in Flux*

Europe and the world. Atlanticism is at the core of US-European relations, but enthusiasm for Atlanticism varies among European states and amongst some of the US political elite. Political and ideological suspicions of the USA, lazy anti-Americanism, and events, such as the contrasting French and British experiences of Suez and the shocks from the NSA's spying activities, have strained relations. Anti-Europeanism in US politics often revolves around lazy ideas of socialism and a feeling that Europeans would rather see American blood shed in their defence than their own. Antagonism was, however, limited in Europe most notably by West Germany's dependence on the US for security and after the end of the Cold War by a grudging realisation – from both sides – that even if it could be said that Americans 'are from Mars and Europeans are from Venus', both share more with each other than they do with large areas of the rest of the world.<sup>68</sup> The pro-US and pro-Atlanticist camp in Europe was strengthened by Britain's membership of the European Economic Community in 1973. It was further intensified by new Eastern European member states admitted to the EU after 2004 being overwhelmingly pro-American in public and elite opinion and international policies.

It might, therefore, appear that the USA should have little to worry about from Brexit, given the pro-American attitude of many newer members, the underlying strength of the Atlantic alliance and that Brexit might make for a more effective union (albeit one still unlikely to be effective at security and defence) by removing one of its more awkward members. However, as

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<sup>68</sup> Robert Kagan, *Of Paradise and Power: America and Europe in the New World*. Vintage, 2004.

Condoleezza Rice, former Bush Administration Secretary of State and National Security Advisor, told an audience at Chatham House in 2015: 'It is a very different Europe if it is a continental one.'<sup>69</sup> Brexit would be both unprecedented and a potentially transformative experience for the EU.<sup>70</sup> Instead of worrying about how to stabilize the Middle East or maintain the status quo in Asia, the EU and UK will spend years if not decades negotiating a divorce. Ensuring this would be an amicable divorce would not be easy given the myriad of legal, political and economic problems that would arise and the need for agreement between the UK, 27 remaining EU member states and the European Parliament.<sup>71</sup>

The US will be faced with an EU that will also spend time negotiating changes to itself brought about by the departure of one of its largest member states. The shift in the EU's balance of power could go any number of ways, each with implications for the USA. The economically liberal and outward looking members would fear a shift towards more protectionist, interventionist policies.<sup>72</sup> It would strengthen the already predominant position of Germany, although Berlin would lose a partner from whom it garners support on open market debates in the EU. The Union's centre would shift eastwards adjusting

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<sup>69</sup> Condoleezza Rice, 'Renewing the Transatlantic Alliance' Chatham House, 29 Oct 2015. <https://www.chathamhouse.org/event/renewing-transatlantic-alliance>, accessed Feb. 2016.

<sup>70</sup> See Oliver 'Europe without Britain'.

<sup>71</sup> 'The European Parliament and the UK's renegotiation: what do MEPs think?' *LSE Brexit Vote Blog*, 18 Dec. 2015, <http://blogs.lse.ac.uk/brexitvote/2015/12/18/the-european-parliament-and-the-uks-renegotiation-what-do-meps-think/>, accessed Feb. 2016.

<sup>72</sup> Mats Persson, 'Hey Berlin, this is what an EU without Britain would look like' *The Telegraph*, 7 June 2013. <http://blogs.telegraph.co.uk/finance/matspersson/100024783/hey-berlin-this-is-what-an-eu-without-britain-would-look-like/> accessed, Mar 2016.

the EU's strategic outlook. The UK's new external relationship with the EU could change the relationship the EU has with several US allies and European NATO countries such as Norway, Iceland and Turkey, with possible consequences for Ukraine.<sup>73</sup> This could see a situation emerge where, if population projections hold, then by mid-century the EU could be surrounded by Europe's three most populous states – Russia, Turkey and the UK (expected to overtake a Germany with a declining population).<sup>74</sup> A multi-polar Europe, one divided between the US and Asian powers, could become a possibility.<sup>75</sup> The UK, however, could find its position and ability to affect change to European geopolitics more limited. In the Balkans, for example, where Britain has traditionally played a leading role, Brexit would limit the UK's place in efforts by the US, EU, and UN to bring a lasting settlement to the region.<sup>76</sup> Efforts by the UK to shape such European politics through NATO would face practical limits given the EU's broader range of capabilities – social, political, economic and non-traditional security – compared to NATO.

The USA may find an EU without the UK could be a more effective and united actor both internally and externally, so long as Brexit does not begin the unravelling of the EU. Unravelling would happen if a British exit undermined

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<sup>73</sup> 'Views on the UK's renegotiation: Russia, Turkey and Ukraine', *LSE Brexit Vote blog*, 4 December 2015. <http://blogs.lse.ac.uk/brexitvote/2015/12/04/views-on-the-uks-renegotiation-russia-ukraine-and-turkey/>, accessed Feb. 2016.

<sup>74</sup> Eurostat, *Population projections 2010-2060, STAT/11/80* (8 June 2011), [http://europa.eu/rapid/press-release\\_STAT-11-80\\_en.htm](http://europa.eu/rapid/press-release_STAT-11-80_en.htm), accessed Feb. 2016.

<sup>75</sup> Tim Oliver, 'Europe's British Question: The UK-EU relationship in a Changing Europe and Multipolar World', *Global Society*, 29: 3, 2015.

<sup>76</sup> James Ker-Lindsay, 'Britain, "Brexit" and the Balkans', *The RUSI Journal*, Vol. 160, No. 5, October/November 2015, pp24-29.

the Union's defining idea of integration as best captured by the EU Treaty's aim of 'ever closer union'. Further integration has often been the response to crises in the EU.<sup>77</sup> The Eurozone crisis and those surrounding Schengen have shown that the EU retains a view of integration as a solution. In Germany especially, a commitment to working through the EU and building up EU cooperation remains central. This does not mean there have not been significant difficulties, with Euroscepticism growing across the EU and some in Germany questioning whether European integration has gone too far.<sup>78</sup> The EU has yet to face a crisis in which German decision makers display a marked reluctance to consider the EU as the way forward. In the few analyses and theories of European disintegration that exist, it is in Germany that the future of the EU will be decided. As Douglas Webber has argued, the EU has yet to face a 'crisis made in Germany'.<sup>79</sup> What that crisis might be remains unclear. While Germany has been keen to keep the UK in the EU it has made clear that this will not come at any cost, especially a cost that undermines the idea of European integration.<sup>80</sup> Brexit alone is insufficient to cause EU disintegration, but it is not impossible to imagine it testing Germany's

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<sup>77</sup> Ludger Kunhardt (ed.) *Crises in European Integration. Challenges and responses, 1945-2005*, (New York: Berghahn, 2008)

<sup>78</sup> Robert Grimm, 'The rise of the German Eurosceptic party Alternative für Deutschland, between ordoliberal critique and popular anxiety', *International Political Science Review*, 36: 3, 2015 pp. 264-278.

<sup>79</sup> Douglas Webber, 'How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives.' *European Journal of International Relations*, Jan. 2013.

<sup>80</sup> Sebastian Dullien, 'Why Berlin and Paris cannot give in to Cameron', *ECFR*, 26 Nov. 2015, [http://www.ecfr.eu/article/commentary\\_why\\_berlin\\_and\\_paris\\_cannot\\_give\\_in\\_to\\_cameron5033](http://www.ecfr.eu/article/commentary_why_berlin_and_paris_cannot_give_in_to_cameron5033), accessed Feb. 2016.

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commitment to the EU if it combined with other developments such as a deeper Eurozone crisis. As Webber himself notes, given the role US power has played in underpinning and guarding European integration, the collapse of the EU would raise questions about the contemporary nature and effectiveness of that power.

### *US views of Europe in the world*

The USA has increasingly looked for a Europe that plays a significant role in managing international peace and security. Historically the EU has banked on the attractiveness of its political and economic arrangements as a tool to influence states on its borders to change their behaviour to gain admission to the Union or close economic and political relations. This appeal, however, has had little effect beyond Europe's immediate neighbourhood or on states that have no desire or ability to gain admission. Furthermore, the EU remains staunchly focused on the idea of 'civilian power' despite the fact that the world continues to present significant security threats to Europe and despite some efforts to inject defence into EU cooperation.<sup>81</sup> Since the late 1990s international terrorism, nuclear proliferation, state-fragmentation and increased defence spending amongst rising powers have led to a security environment more challenging than at any time since the Cold War – a security environment that requires military assets and force projection capabilities that most of Europe lacks. This assumes, of course, that all

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<sup>81</sup> See Helene Sjursen (Ed.), *Civilian or Military Power? European Foreign Policy in Perspective*. (London: Routledge, 2007).

European states actually want to get involved in facing such threats, which is not necessarily the case.

The preference among policy-makers in Washington – Democrats and Republicans alike – is still to work with Europe. As the most recent US Quadrennial Defense Review notes, European states are the partners of choice for the USA.<sup>82</sup> The decision in early 2016 to increase defence spending in Europe from \$789 million to \$3.4 billion represents the most recent demonstration of this commitment.<sup>83</sup> However, this does not detract from the fact that US policy-makers have been repeatedly frustrated by European (including British) defence cuts.<sup>84</sup> The result is that despite increased financial commitments the idea of abandoning or severely limiting US commitments to NATO has become an accepted part of US debates about the future of transatlantic relations and US foreign policy.<sup>85</sup>

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<sup>82</sup> Quadrennial Defense Review 2014, (Washington D.C.: Department of Defence), p5. [http://archive.defense.gov/pubs/2014\\_Quadrennial\\_Defense\\_Review.pdf](http://archive.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf), accessed Feb. 2016.

<sup>83</sup> 'Remarks by Secretary Carter on the Budget at the Economic Club of Washington D.C.', 2 February 2016. <http://www.defense.gov/News-Article-View/Article/648373/carter-previews-fy2017-defense-budget-request>, accessed Feb 2016.

<sup>84</sup> Con Coughlin, 'US fears that Britain's defence cuts will diminish army on world stage', *Daily Telegraph*, 1 Mar. 2015. <http://www.telegraph.co.uk/news/uknews/defence/11443204/Britain-is-becoming-a-friend-who-cant-be-trusted-says-top-US-general.html>, accessed Feb. 2016; Michael John Williams, "Enduring, but Irrelevant? Britain, NATO and the Future of the Atlantic Alliance" *International Politics* 50: 3 (2013).

<sup>85</sup> Barry Posen, 'Pull Back: The case for a less activist foreign policy'. *Foreign Affairs*, Jan./Feb. 2013.

Nevertheless, for the time being the US would still like to see Europeans play a role whether this is through NATO or via an EU that plays a larger role globally, most importantly in North Africa and the Middle East. Events in Ukraine and the current humanitarian catastrophe in the Mediterranean, however, do not bode well for US aspirations, as Europe's response to the crisis has been lacklustre at best. As Jeremy Shapiro and Anna Newby noted 'President Obama's ambition has been to disengage from wasteful conflicts in the wider Middle East and refocus American attention and efforts on the Asia-Pacific. In American eyes, Europe's role in the new transatlantic bargain should be to facilitate this rebalancing by taking up the slack and by assuming more responsibility for stability and security in its own backyard.'<sup>86</sup> Washington wants European military forces that can supplement US forces globally. For example, in contributing to the maintenance of an aircraft carrier near the Persian Gulf at all times.

This ambition though is stymied by continuing European defence cuts and a reluctance to engage in the maintenance of international security using military force.<sup>87</sup> This is problematic for the EU, NATO and UK aspirations for continued close transatlantic defence links. As James Arbuthnot noted: 'there is a risk that NATO will become an irritant for the Americans, rather than a

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<sup>86</sup> Jeremy Shapiro and Anna Newby, 'Not Ready for a Post-American World: European views on NATO' Brookings Institution, 16 June 2015, <http://www.brookings.edu/blogs/order-from-chaos/posts/2015/06/16-european-views-nato-shapiro-newby>, accessed Feb. 2016.

<sup>87</sup> Vivienne Walt, 'Afghanistan and NATO: Is Europe Up for the Fight?' *Time.com*, 3 April 2006, <http://content.time.com/time/world/article/0,8599,1889460,00.html>, accessed Feb. 2016.



partner of choice.<sup>88</sup> Doubts already exist as to whether Europe – either in the form of the EU (with or without the UK) or European partners in NATO - would stand with the USA should it face a clash with China in Asia-Pacific.<sup>89</sup> For EU states, challenges in their ‘near abroad’ are more tangible than those emanating from Asia, where their focus is instead on commercial opportunities. This contrasts with the USA’s geopolitical approach to that region. Part of the problem is that all sides seem unaware of the other’s capabilities and interests in the area, with the UK (and France’s) own military capabilities, albeit limited ones, in Asia-Pacific largely overlooked.

For the USA the transatlantic relationship is about more than traditional security and military affairs. As discussed earlier, efforts to create TTIP are about turning the close economic relationship into a clearer geostrategic one. This has led to talk of TTIP as an ‘economic NATO’. Such talk should be approached with caution given unease in Europe at the securitisation of an already largely militarised transatlantic relationship and fears elsewhere of the EU and USA complementing NATO with an economically protectionist ‘fortress Atlantic’.<sup>90</sup> There also remain difficulties between the two sides over how to approach emerging powers, with the UK’s decision to partake in the Chinese led Asian Infrastructure Investment Bank being seen in Washington D.C. as a worrying sign that even an ally such as the UK is prepared to

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<sup>88</sup> Walt, ‘Afghanistan and NATO’.

<sup>89</sup> See Xenia Wickett and Jacob Parakilas, *Transatlantic Rifts: Asia-Pacific Scenario Case Study*. Chatham House research paper, February 2016

<sup>90</sup> Tim Oliver, ‘Cool the talk of TTIP as an economic NATO’, *Huffington Post*, 12 Dec. 2013. [http://www.huffingtonpost.com/tim-oliver/cool-the-talk-of-ttip-as-\\_b\\_4427037.html](http://www.huffingtonpost.com/tim-oliver/cool-the-talk-of-ttip-as-_b_4427037.html), accessed Feb. 2016.

accommodate China for economic gain. That other US allies soon followed the UK's lead added to US concerns that the economic attraction of emerging powers such as China will undermine Western unity and, in turn, liberal democratic ideals. These concerns have been behind US unease at Germany's approach to China.

Germany has developed a 'special relationship' with China driven largely by economic needs rather than geostrategic ones.<sup>91</sup> It now faces a question of whether it chooses to be a liberal power, using its economic might to advance a liberal political agenda. Or does it pursue the path of a mercantile power, friendly with all and hostile to none? Given the economic relationship with countries such as Russia and China, a 'neutral' Germany and therefore a 'neutral' EU that functions as an economic bloc, but not a political force pushing on areas such as human rights is not beyond the realm of imagination.<sup>92</sup> This might be a useful arrangement for avoiding armed conflict in Europe, something Germany desperately wants. However, it would be a loss for the USA and other European countries that would like to see a more active EU in world affairs. Beyond Germany, China has invested elsewhere in Europe, especially Central and Eastern Europe. This is in no small part because of a need within these states to attract inward investment from

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<sup>91</sup> See Kundnani and Parello-Plesner 'China and Germany'.

<sup>92</sup> Hans Kundnani and Jonas Parello-Plesner 'China and Germany: a new special relationship?' (London: ECFR, 2012), [http://www.ecfr.eu/publications/summary/china\\_and\\_germany\\_a\\_new\\_special\\_relationship](http://www.ecfr.eu/publications/summary/china_and_germany_a_new_special_relationship), accessed Feb. 2016.

emerging powers, adding to questions about their alignment with the US on matters relating to China's emergence as a global power.<sup>93</sup>

A British exit from the EU would raise a number of issues for Washington's approach to the transatlantic relationship in an emerging multipolar world. First, the USA and the EU, broadly writ, share a number of positions on trade and economic policy. A British withdrawal from the EU would not substantially alter the economic reality that trade and investment relations between the US and Europe are extremely important for both and set to remain so for some time. Second, the locust of Atlanticism in Europe more generally might not move as far into the negative category given the more pro-American tendencies of Central and Eastern European EU states. The main challenge here might be Washington's own failure to cultivate positive relations. Some states, such as Poland, that historically supported the US have felt abandoned in the face of Russian aggression in Ukraine despite their resolute support of US objectives in Iraq and Afghanistan. Britain historically has been a leader in the pro-Atlanticist camp, but there is no reason why another large state such as Poland could not perform such a role, if it wanted to. Indeed, Britain's disengagement from EU business and apparent drift over matters connected to European geopolitics has led the USA to look to other states such as Germany.<sup>94</sup>

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<sup>93</sup> Tina Fordham and Jan Techau, *Global Political Risk: the new convergence between geopolitical and vox populi risks, and why it matters*. Citi GPS, January 2016, p.18.

<sup>94</sup> Stephen Szabo, 'Partners in Leadership? Germany and the United States 25 Years After Unification', *GMF Transatlantic Take*, 2 Oct. 2015,

Germany's position as the predominant power means US-German relations will remain vitally important. The revelations that the US National Security Agency had been spying on German government and media, including allegations Chancellor Angela Merkel's phone had been tapped left both the US and Germany in awkward positions.<sup>95</sup> Here we should not overlook the role of the Franco-German relationship, which remains the union's defining internal relationship. The EU could survive a British exit, but as noted above, it would quickly come to an end should Germany, and to a lesser extent, France, give up on it. Indeed, one of the biggest winners in Europe from Brexit would be France. A British departure would allow France to pull the Union more to the economic left, whilst allowing it to become the key US military ally in the EU. Since the drastic cuts to the British defence budget the US has increasingly looked to France for military leadership in Europe. Despite historical Franco-American disagreements, France re-joined NATO's integrated military command structure, increasingly pursuing a more outward looking economic agenda than it is often given credit for. Thus it remains a core member of the Western alliance.<sup>96</sup>

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<http://www.gmfus.org/blog/2015/10/02/partners-leadership-germany-and-united-states-25-years-after-unification>, accessed Feb. 2016.

<sup>95</sup> Karen Donfried and Wolfgang Ischinger, 'Trans-Atlantic Ties: It's Time to Rebuild Trust' *Spiegel Online*, 4 June 2015. <http://www.spiegel.de/international/business/editorial-on-need-for-new-transatlantic-dialogue-a-1037191.html>, accessed Feb. 2016.

<sup>96</sup> See Luis Simón, 'The Spider in Europe's Web? French Grand Strategy from Iraq to Libya' *Geopolitics*, 18: 2, 2013.

The French deployment to Mali bolstered American appreciation for French capabilities; Mali is one of the few western interventions that seems to be a success. Washington was impressed with the speedy deployment of 4,000 French combat troops to the region and it reassured the Americans that Paris could be counted on to manage security issues in northwest Africa. France's activity against ISIS over the last year further increased Paris' prestige in Washington. France deployed the aircraft carrier *Charles DeGaulle* to the Gulf to participate under US command – a first for the French Navy – in bombing strikes against ISIS. As *Defense News* stated US FA-18s landed on the *DeGaulle* and French Rafale fighters landed on US carriers.<sup>97</sup> Although US forces remain more closely integrated, especially on intelligence issues, with Britain rather than France, there is room for this to change with Brexit.<sup>98</sup> A British exit would lead to enhanced efforts on the part of the USA to build relations with Germany and France, in particular focusing on the economic leadership role of Germany and the military leadership role of France in the EU.

There is no reason to expect that an EU without Britain would be interested in launching a serious challenge to US military or political hegemony to balance US power like De Gaulle once envisioned. It is far easier to free-ride on the US security guarantee than to ramp up defence spending and there is no

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<sup>97</sup> Agence France-Presse, "France Displaces Britain as Key US Military Ally" *Defense News* (19 March 2015).

<sup>98</sup> Michael Shurkin and Peter Wilson, 'France is replacing the UK as America's top ally in Europe' *the RAND Blog*, 30 March 2015. <http://www.rand.org/blog/2015/03/france-is-replacing-the-uk-as-americas-top-ally-in.html>

reason to balance what, in Europe at least, is a 'benign hegemon.' The main concern for the USA is the ability of European states to contribute to international peace and security and the possibility that an unwillingness to do so drives the USA further towards a position of giving up on the Europeans in the hope this might provoke them into acting on their own. Britain historically has advocated for a more interventionist Europe, but this support has fallen off, most notably in the 2013 refusal of the British Parliament to support a hawkish line against Syrian Bashar Al-Assad after he used chemical weapons on his own people. Given that NATO remains the premier military organ in Europe, it seems unlikely that Brexit will have much effect on Washington's current ability (as distinct from willingness) to influence European military matters, since any substantive European defence decisions are made via NATO in conversation with Washington and Ottawa, rather than via the EU. The EU is becoming ever so slowly more cogent on foreign policy, but defence remains an issue primarily for NATO.

### **Conclusion**

The USA's relationship with the UK and the rest of Europe remains one defined by shared ideas, deeply entwined economic and security interests, institutional arrangements, common international problems and individual leaders and elites who remain Atlanticist in outlook. In the uncertain world that it faces, the US government would prefer the states of the North Atlantic to continue to work closely together on issues of international peace and security. Brexit would complicate these relations, but not undermine them unless it aligned with other crises and changes to both the EU and USA that

have the potential to drive them apart. It is the UK that has the most to lose from a Brexit, becoming a country whose unity could be thrown into question and who would have to work harder to affect changes in the wider transatlantic relationship. In such a situation the USA could find its closest ally becomes an awkward inbetweenner, beholden largely to how the larger US-EU relationship moves forward.

Nevertheless, there is no escaping the fact that the role of Britain in the EU is important to the US, to US-EU cooperation and the wider transatlantic relationship. Despite this, British political debate rarely considers the implications that the referendum result could have on wider European and transatlantic security, economic and political arrangements. While we envision relations remaining cordial, albeit with the UK as an awkward inbetweenner, we set out below three possible scenarios for the USA – the good, the bad and the ugly – that could occur depending on how the referendum mixes with other pressures.

*The good:* the best scenario for the USA and stable transatlantic relations is one where the British people vote to remain within the EU, with the UK-EU renegotiation and referendum followed by a sustained effort by the UK government to rebuild relations with an EU for whom the ‘British question’ has been an unwanted distraction from other matters. Should a new EU Treaty emerge the UK would be in a stronger position to push for changes that strengthen the Union while ensuring the UK remains an active member inside it rather than pushing for changes from the outside. For the USA this option

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ensures the EU's foremost Atlanticist power remains a part of Europe's predominant organisation for economics, politics and non-military security. This could also help ensure the EU focuses not only on domestic European matters but also on issues outside the EU, especially in its near-abroad. A UK engaging with its European partners would help show that isolationism and populism has its limits.

*The bad:* UK-EU relations muddle through, with a referendum result to stay in or leave not leading to any clear settled relationship. Animosity remains on both sides, particularly between UK and EU leaders who feel aggrieved at the renegotiation and referendum result. Neither side is willing to do more than make the minimal commitment to make a relationship work. For the USA, Britain's place in transatlantic relations would remain important, but it would play the part of an awkward inbetweenner, beholden largely to how the larger US-EU relationship moves forward. Any effort by the UK to play the part of a transatlantic arbitrator would find some footing in the context of NATO and traditional military matters, although even here the USA will be aware that the future of NATO and EU enlargement and EU foreign policy rests more in Germany. Britain's attempts at leadership may be welcomed by some Republicans, but would be extremely difficult – and likely fiercely resisted by the EU and its member states – in areas such as economics and wider political relations where Washington will be conscious of the need to pay attention to the wider EU and, again, in particular Germany. The USA would have to work around Britain in its wider relations with the EU. Both the UK and EU would remain difficult partners for the USA in dealings with Asia.



*The ugly:* A British exit leads to a severe deterioration in UK-EU relations. A UK that is denied some privileged external relationship with the EU could be tempted to act as a spoiler in any efforts at NATO-EU cooperation, particularly if the rest of the EU tried to develop in a more united way. This is not unprecedented as is evident in NATO-EU relations regarding Turkey, Greece and Cyprus for example, a long-running headache for US approaches to South-Eastern Europe. A particularly ugly scenario would see Brexit unleash centrifugal forces that begin the unravelling of the EU. Here the place of Germany would be key, with Brexit triggering some form of German crisis in confidence in the EU. More likely Brexit would lead to the UK's fragmentation, with Scotland leaving the UK to re-join the EU, violence erupting in Northern Ireland, while the businesses and inhabitants of the international and European metropolis of London are left feeling resentful towards the rest of the UK. The USA would be faced with the fallout from the fragmentation of one of its closest allies.

Should a Brexit lead to EU disintegration then weaknesses and divisions in Europe would likely invite Russian meddling in Central Europe and the idea that the Kremlin might put pressure on some former Soviet territories such as the Baltic republics is not beyond the realm of imagination. In this case, Washington would have serious questions to answer about how to respond to such a crisis. Given the preoccupation in Washington with the Asia-Pacific region, coupled with extreme frustration about the ability of Europeans to manage European problems, the US might decide to allow for a new status

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quo in Europe, preferring to divert its energies to Asia rather than a declining Europe that is seemingly unable to function as a cogent actor in international relations. Washington will also be extremely alert to the potential for Brexit to make the EU less accommodating to US and Atlantic priorities – if the EU does not collapse of course. US policy makers would be conscious of what such developments would say about US power and the potential effect it could have on isolationist feelings in their domestic politics. Other world powers may interpret further tensions within NATO and a fragmenting or weakened EU as a sign of the deterioration of two of the major institutions the USA has committed itself to the creation and development of since World War II.

There is, in short, no good outcome for the USA resulting from a British decision to leave the EU. Some British Eurosceptics might dream of Britain becoming a North Atlantic Singapore or a 'Switzerland with nukes', neglecting the fact that Singapore and Switzerland play minor roles in regional politics and are ultimately subject to regional politics rather than shapers of it. British debate about the EU has too often ignored the benefits of EU membership the complexities of withdrawal, and with some debate pointing to a yearning for some sort of imperial past that is long over. The crisis of British membership in the EU is in part a result of a changing EU, but is also one that British politicians have exaggerated over the past several decades. This is not to say that there are not serious issues with the governance and direction of the EU. These, however, are problems in which the US has a clear interest in seeing

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solved, from which the UK cannot escape, and which a Brexit has the potential to make worse rather than help solve.