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Samuel Wells /
Ludger Kühnhardt (eds.)

The Crisis in Transatlantic Relations

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Zentrum für Europäische Integrationsforschung
Center for European Integration Studies
Rheinische Friedrich-Wilhelms-Universität Bonn

Walter-Flex-Straße 3
D-53113 Bonn
Germany

Tel.: +49-228-73-1880
Fax: +49-228-73-1788
<http://www.zei.de>

About the Authors:

Geert Ahrens is retired Ambassador and Senior Fellow at the Center for European Integration Studies, Bonn.

Andreas Andrianopoulos is Member of Parliament, Athens.

Anna Balletbò is President of the Olaf Palme Foundation, Badalona, and former Member of Parliament.

Shahram Chubin is Director of Research at the Geneva Centre for Security Policy, Geneva.

Alex Danchev is working at the School of Politics, University of Nottingham.

Haldun Gülalp is Professor of Sociology at Bogazici University, Istanbul.

Pierre Hassner is Research Director Emeritus and Professor of International Relations at the Institute of Political Studies and the Center for International Studies and Research, National Foundation for Political Sciences (Sciences-Po), Paris.

Ludger Kühnhardt is Director at the Center for European Integration Studies, Bonn.

Emil Pain is Director of the Center for Ethnopolitical Studies, Moscow.

Elke Thiel was formerly Head of the Research Unit European Integration at the Stiftung Wissenschaft und Politik, Berlin.

Robert Wade is Professor of Political Economy at the Development Studies Institute, London School of Economics, London.

Samuel Wells is Associate Director at the Woodrow Wilson Center, Washington, D.C.

Michael Werz is Transatlantic Fellow at the German Marshall Fund in Washington, D.C., and Associate Professor at the Institute for Sociology in Hannover.

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Samuel Wells / Ludger Kühnhardt

Introduction

From September 9-11, 2004, 57 former fellows of the Woodrow Wilson International Center for Scholars, Washington, D.C., and many of their spouses met at the Center for European Integration Studies, Bonn, to analyze and exchange views on the topic “*The Crisis in Transatlantic Relations.*” The general attitude of this group of intellectuals and policymakers does not differ from the results shown in the recently released *Transatlantic Trends 2004* from The German Marshall Fund of the United States. Most attendees are critical of U.S. policy in Iraq and of U.S. policies toward the Israeli-Palestinian conflict. Some felt that France, Germany, and the new Socialist government of Spain had gone too far in continuing to place obstacles in the way of reconstruction aid to Iraq. Almost all hoped that transatlantic relations would improve, and felt that this would be facilitated by a change of administration in Washington in this coming November’s election.

The first session focused on the question “How Strong are Shared Values?” *Alex Danchev* of the University of Nottingham, United Kingdom, opened with a skeptical and provocative analysis emphasizing the differences between Europe and America. He pointed out that there was a long tradition of high rhetoric about shared values and that this was in itself a key element of holding the community together, but he argued that the two sides of the Atlantic held very different values on issues such as torture, death penalty, religion, role of the state, and the use of force in international affairs. He provided a sharp analysis of five areas of difference between Americans and Europeans with the qualifier that many in Great Britain were an exception to these European views. His areas of difference included the open invocation of religion in political life (“Europeans do not

do God”), the role of highly positive thinking about the possibility of endless perfectibility in both human and economic affairs (“Europeans do not do self-belief”), the assumption that there was a global role for the United States (“Europeans do not do China”), the difference of the highly affirmative and optimistic and open attitude of Americans (“Europeans do not do can do”), and finally the belief in the efficacy of the use of force (“Europeans do not do to war”). Danchev closed by saying that many Europeans felt that the United States was no longer legitimate as a provider of world order although it might be welcomed as an investor. But the United States “is neither loved nor trusted.” Nevertheless the transatlantic relationship continues in large part on the memories of the past and the fact that “‘we have a lot in common’ is the mantra that holds us together.”

Andreas Andrianopoulos, author and Member of Parliament in Greece, took a more positive attitude toward shared transatlantic values. He pointed out that the U.S. refusal to use NATO in Afghanistan marked an end of the alliance as it had been known in the Cold War, and that the Bush administration had broken other ties on environment, the ABM treaty, civil liberties, and agricultural subsidies in the face of WTO rulings. He acknowledged that Europeans resent the great preponderance of U.S. military power and its successful economic growth and its huge economic reach. But he thought that the basis for future cooperation still existed and contended that the United States in order to activate cooperation must show that it wants to work with the Europeans and will listen to their views.

In a session on “Diverging Systems of Governance?,” neither speaker felt that Europe’s shared sovereignty and extensive engagement with international treaties and regulatory regimes was an element in current transatlantic disputes. *Anna Ballebò*, a twenty-year Member of the Spanish Parliament from Barcelona, felt that the Europeans had essentially continued in a fairly steady dual policy of integrating their economies and societies while enlarging the scope of the European Union, and it was the United States that had begun to shift its form of government and the nature of its policies since the 1970s through increasing influence of neo-conservatives and their ties with the media and think tanks. She insisted that the only way for transatlantic relations to improve would be to replace the Bush administra-

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tion with a Democratic president. *Geert Ahrens*, a recently retired German diplomat with extensive service in the developing world and in Southeastern Europe, said that from his experience transatlantic relations began to deteriorate as early as 1991 when viewed from the perspective of the Balkan crises. He felt that the current transatlantic crisis which had become much more serious than in the early 1990s stems from a growing imbalance of military and economic power between the United States and Europe. He did point out significant differences in European and American approaches to international governance in areas such as acceptance of international judicial institutions like the International Criminal Court, belief in the need for UN endorsement before moving to the use of force, and acceptance of international environmental agreements such as the Kyoto Protocol. He called for better communication and increased cooperation between Europe and America which he believes is the foundation for improving international relations more broadly.

A session on “Prospects for Economic Cooperation” found agreement that there was a significant gap between the developing world of the European Union and the United States and the economic realities of the southern hemisphere. *Robert Wade* of the London School of Economics pointed to the lack of cooperation between the United States and Europe on developmental assistance and contended that, while there was cooperation on trade and investment rules, many of these rules had made it more difficult for the south to close the gap in development. *Elke Thiel*, former head of the research unit on European integration for the Stiftung Wissenschaft und Politik of Berlin, spoke about trade and monetary policy and contended that the top issue for officials on both sides of the Atlantic was the resolution of WTO trade disputes.

Emil Pain, Director of the Center for Ethnopolitical Studies in Moscow, focused on Russian political and economic choices in a session on “The European Union’s Eastern Neighbors,” contending that in recent years Russia had made a large shift in values in a conservative and authoritarian direction. He reported widespread approval of the centralization of power in the Kremlin and the fact that almost two-thirds of Russians recently surveyed see ethnic minorities as the country’s main problem and believe in

the slogan “Russia for Russians.” He called for continued contacts and exchanges with both the European Union and the United States in order to keep different policy choices open to politically engaged elites. *Haldun Gülalp* of Bogazici University in Turkey discussed the evolution of democratic institutions under the Welfare and Reform Party, known in Turkey as the AK Party. He pointed out that the AK Party had won a clear majority in elections of November 2002 on a platform of making those reforms necessary to meet requirements for accession into the European Union. He discussed how the AK Party showed that it could govern effectively and make reforms in political and societal institutions, and in doing so demonstrated how the former secular ruling elite had used the fear of Islamic political parties to keep Muslims out of power and to prevent basic reforms. The AK Party has used the desire for EU membership to force through democratic reforms showing that a Muslim party can be both reformist and democratic. This was the reason why success of the European Union summit in December of 2004 was so critical for the AKP.

In a session on “Cultural Trends,” *Michael Werz* of the Institute of Sociology at Hannover University in Germany argued that there was no gap in values between Germany and the United States but there had developed under pressures of 9/11 and Iraq a different approach to policy. He showed how Germany had developed a very unusual society during the Cold War: it was the center of world politics but had no foreign policy, no national interests, and extremely close ties to the United States. After the fall of the Berlin Wall in 1989, Germany had to develop a foreign policy, a national style and values, all while absorbing a large contingent of very different citizens from East Germany. Under the pressure of the war against terrorism and the war against Iraq, Germany had to make many decisions on its own and relied upon its strong aversion to war and a strong commitment to protect civil liberties to make different policy choices from those made in Washington.

In a concluding session on “Security Challenges,” *Pierre Hassner* of the Center for International Studies and Research in Paris pointed out that many international challenges are underway in the field of international security, but that the Iraq war and aspects of the war against terrorism have

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created a major crisis between European governments and the United States. He pointed out that only in the United States did a majority of the population agree on a case for war against Iraq, but as the problems with establishing security after the major fighting developed, roughly fifty percent of Americans now question the wisdom of that war. He feels that the lessons of Iraq include the fact that spreading democracy in the Middle East is very difficult and cannot be done by force; that war has increased the terrorist threat and increased the prospects for a clash of civilizations; that the war has advanced nuclear programs and the danger of proliferation in both Iran and North Korea; and, that the U.S. demonstrable desire for global hegemony may be limited by the experience in Iraq. *Shahram Chubin*, Director of Research at the Geneva Center for Security Policy in Switzerland, talked about cooperation on issues of terrorism and nonproliferation. He pointed out that there had been recognition of the same threats in Europe and America with the spread of weapons of mass destruction and terrorism being at the top of the list. He argued that the war against terrorism as characterized in U.S. policy will be a very long struggle and it will be hard to measure success or even know if the war can be won. He pointed out that Europeans do not see the battle against terrorism as a “war” but see many separate terrorist cells with a web of cooperation existing among them. He asserted that Europeans completely reject the notion that Iraq is part of a struggle against terrorism. Chubin pointed out that cooperation on issues of nonproliferation is better than it was ten years ago, but that difficulties still occur on what action is to be taken on its degree of urgency and on sharing intelligence. He foresees future disputes over responsibility for Iraq, action to be taken if another terrorist attack occurs in the United States, what policies to pursue on the nuclear programs in Iran and North Korea, and on the Israeli-Palestinian conflict.

The contributions to the joint conference of the Center for European Integration Studies and the Woodrow Wilson International Center for Scholars in conjuncture with the Woodrow Wilson European Alumni Association are now assembled in this Discussion Paper.

Alex Danchev

How Strong Are Shared Values?

The pitch for shared values is long on assertion and strong on tradition, almost as if ritual incantation will make it come true, like prayers, or at least provide some comfort for the bereft. Perhaps it is also a pitch for that elusive spot so coveted by statespersons of every persuasion, the moral high ground. ‘We are the ally of the US not because they are powerful, but because we share their values,’ Tony Blair admonished a gathering of British ambassadors in January 2003. ‘I am not surprised by anti-Americanism,’ he continued snappishly, making a familiar move, ‘but it is a foolish indulgence. For all their faults, and all nations have them, the US are a force for good; they have liberal and democratic traditions of which any nation can be proud.’¹

So fervent and so insistent is this evangelist tendency, that the rhetoric of shared values is itself part and parcel of the trappings of transatlanticism. The mobilizing notion of an Atlantic community – a community of values – is among other things an exploitation of history for present purposes, deployed by one side or another as circumstances dictate. Appeals to an Atlantic future are all in some measure exhortations to live up to an Atlantic past. The future is wish-fulfilled. The past is monumentalized, as Nietzsche says. ‘As long as the soul of historiography lies in the great stimuli that a man of power derives from it, as long as the past has to be described as worthy of imitation, as imitable and possible for a second time, it of course incurs the danger of becoming somewhat distorted, beautified and coming close to free poetic invention; there have been ages, indeed, which were quite incapable of distinguishing between a monumentalized past and a

1 Prime Minister’s address to British ambassadors in London, 7 January 2003.

mythical fiction, because precisely the same stimuli can be derived from the one world as from the other.’² Public performance – celebration – has always been an important element in the transatlantic relationship, especially among its poets and propagandists, from Irving to Isaiah Berlin, who in this respect whistled very much the same tune, making it peculiarly appropriate that Winston Churchill, the Evangelist-in-Chief of the English Speaking Peoples, should get them mixed up.

My British buddy,
We’re as different as can be;
He thinks he’s winning the war,
And I think it’s me.
But we’re in there pitching,
And on one thing we agree:
When the job is done
And the war is won,
We’ll be clasping hands across the sea.³

The evangelist tendency has always been suspect. It was expertly satirized over fifty years ago by the author of *One-Upmanship*, Stephen Potter, who included a helpful section on what he called Hands-Across-The-Seamanship, ‘this splendid instrument of general dis-ease, gambits, counter-gambits, and the one-up-one-down atmosphere.’ Hands-Across-The-Seamanship was at the same time subtle and not so subtle:

It is not our policy continuously to try to be one-up, as a nation, on other nations; but it is our aim to rub in the fact that we are not trying to do this, otherwise what is the point of not trying to do this?

2 Friedrich Nietzsche, trans R. J. Hollingdale, ‘On the uses and disadvantages of history for life’ [1874], in *Untimely Meditations* (Cambridge: Cambridge University Press, 1983), p. 70 (emphasis in original).

3 Irving Berlin, from ‘My British Buddy’, written for the British version of *This is the Army* (1943). Cf. Isaiah Berlin, ‘Things which Americans hold against the British’ (1942), among them: ‘Superior airs of British persons in America and their unspoken attitude that theirs is the right way of doing things, by the mere fact that they do it that way. Their “when in Rome, do as the English do” attitude.’ Both documents are printed in Isaiah Berlin, *Flourishing: Letters 1928-1946* (London: Chatto & Windus, 2004), pp. 397 and 401. Isaiah’s version of Churchill and the tale of two Berlins is told on pp. 478-80.

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First lessons concentrate on the necessity of always using the same phrases, and using them again and again. No harm in the general reader memorizing one or two of them now:

We have a lot in common.
After all, we come from the same stock.
We have a lot to learn from each other.⁴

Potter was echoing the founding fathers. The preamble to the North Atlantic Treaty (1949) affirms the determination of the signatories ‘to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law’. No one now consults the North Atlantic Treaty – in truth, no one now consults NATO – but this sort of talk is indeed the common currency of a certain kind of celebration. It celebrates a vividly imagined community of like-minded peoples, kith and kin across the storm-tossed sea, locked in tight embrace for noble if cloudy purpose. The President himself (or his speechwriters) indulged in it only last year on a state visit to Britain, when he extolled the virtues of something ‘more than an alliance of security and commerce, ... an alliance of values’:

The fellowship of generations is the cause of common beliefs. We believe in open societies ordered by moral conviction. We believe in private markets, humanized by compassionate government. We believe in economies that reward effort, communities that protect the weak, and the duty of nations to respect the dignity and the rights of all. And whether one learns these ideals in County Durham or in West Texas, they instil mutual respect and they inspire common purpose....

The deepest beliefs of our nations set the direction of our foreign policy. We value our own civil rights, so we stand for the human rights of others. We affirm the God-given dignity of every person, so we are moved to action by poverty and oppression and famine and disease. The United States and Great Britain share a mission in a world beyond the balance of power or the simple pursuit of interest. We seek the advance of freedom and the peace that freedom

4 Stephen Potter, ‘Hands-Across-The-Seamanship’ in *One Upmanship* (1952), reprinted in *The Complete Upmanship* (London: Hart-Davis, 1970), p. 263. The stock phrases bear an uncanny resemblance to those used in MORI public opinion polling to this day. For the Evangelical and other tendencies in Anglo-American context see Alex Danchev, *On Specialness* (London: Macmillan, 1998), ch. 1.

brings. Together our nations are standing and sacrificing for this high goal in a distant land at this very hour.⁵

Many found this hard to swallow at the time. In retrospect, the issue of the hollowness of the rhetoric is unavoidable, given what is now known of the degrading practices at Abu Ghraib and other facilities around the globe. The God-given dignity of every person in American custody has not been respected, to put it mildly. The damage is uncontained and perhaps uncontrollable. Its poisonous effect will surely be long-lasting, especially in the Muslim world – a disastrous outcome. Moral capital is an asset of immeasurable worth and distinctive properties. It evaporates before your very eyes, but it takes the wisdom of ages to accrue.

For an alliance of values, moral ruination is a particular hardship. Such an observation is not anti-Americanism. (Argumentative space is also part of the transatlantic tradition.) Nor is it a gambit, in Stephen Potter's terms, a smuggled claim to be one-up. There is no scope for self-exculpation. Regrettably, Britain appears to have been complicit in the system of abuse from the outset. Virtually every member of the European comity of nations has fallen into similar temptation in the recent past. Europe, not Africa, is 'the dark continent' of the twentieth century, as Mark Mazower has powerfully demonstrated.⁶ International (or transatlantic) point-scoring is fruitless. The damage is indivisible.

Whoever degrades another degrades me,
And whatever is done or said returns at last to me.⁷

The harder question is how far a global war on terror is compatible with life, liberty and the pursuit of happiness, at home and abroad, and to what extent the inevitable contradictions will expose and exacerbate transatlantic tensions in an era when Europe has lost salience for many Americans and America has lost credence for many Europeans – when the very idea of an alliance of values seems either quaint or oppressive. A recent Pew Center

5 Remarks by President George W. Bush at Whitehall Palace, London, 19 November 2003.

6 Mark Mazower, Dark Continent: Europe's Twentieth Century (London: Penguin, 1998).

7 Walt Whitman, from 'Song of Myself', in Leaves of Grass (Oxford: World's Classics, 1998), p. 48.

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poll finds that 43% of all Americans, 48% of American men, 54% of American men under fifty, and 58% of people intending to vote for George W. Bush in November believe torture of suspected terrorists can ‘often’ or ‘sometimes’ be justified.⁸ There seems to be no directly comparable data for Europeans. Any guesswork in this field is fraught with difficulty – there has been altogether too much self-congratulation in the matter of European civilization – but it would be surprising if the percentages were as high, in either old or new Europe, to borrow Donald Rumsfeld’s false dichotomy. It would also be interesting to map these beliefs on to other beliefs, such as capital punishment, including the execution of juveniles and the mentally retarded;⁹ or redistributive justice; or religious observance. ‘Life is meaningful only because God exists’, according to 61% of Americans, 37% of Spaniards, 36% of Britons, and 29% of the French.¹⁰

Those figures capture the typical variance between European and American expressions of moral preferences and cultural predispositions. Europeans and Americans make different selections from the menu of collective choices on offer, in the forum as in the delicatessen. Moreover the menu itself is not the same. It is easy enough to identify generalized transatlantic commonalities of a liberal-democratic kind – the rule of law, equal rights, freedom of speech, religious toleration, equality of opportunity, motherhood, apple pie – but the effort to give them greater operational precision is a lesson in cultural difference. The pursuit of happiness is an essentially contested concept. In this sense New Amsterdam and Old Amsterdam are as far apart as Paris, Texas and Paris, France. They may recognize the same precepts, politically, economically and socially, but their interpretation of

8 Pew Research Center, July 2004 Foreign Policy and Party Images Survey. The question was: ‘Do you think the use of torture against suspected terrorists in order to gain important information can often be justified, sometimes be justified, rarely be justified, or never be justified?’ 32% said ‘never’.

9 The US Supreme Court is about to consider whether it is constitutional to execute people for crimes committed when they were sixteen or seventeen years old.

10 World Values Survey (1990-93), in Ronald Inglehart et al., Human Values and Beliefs (Ann Arbor: University of Michigan Press, 1998). The French, it appears, have been underestimated. Not only are they cheese-eating surrender monkeys – so labelled by that omniscient commentator on international affairs, Bart Simpson – they are Godless cheese-eating surrender monkeys.

liberty, equality and fraternity is radically divergent. In other words there are striking differences in transatlantic core values clustered around the nature of the social contract and the scope of the public realm. Put crudely, the United States is on the side of the individual; self-help and self-interest are elevated to the status of ethical principle. In Robert Putnam's resonant metaphor, Americans are bowling alone.¹¹

Needless to say, any attempt to draw distinctions like covering laws between two patchwork quilt continents is asking for trouble. As Immanuel Wallerstein has acutely observed, 'there is of course no single American tradition or single set of values. There are, and always have been, many Americas. We each of us remember and appeal to the Americas we prefer.'¹² The same goes for Europe, even more so, given its history and its current status as a work in progress. Nevertheless, it seems to me that distinctions can be drawn, and that this is an invitation to draw them. I offer a small selection or provocation, in summary form, starting at the top.

In contradistinction to Americans,

*Europeans do not do God.*¹³ See above, and George W. Bush, *passim*. ('Freedom is not America's gift to the world. Freedom is the Almighty God's gift to every man and woman in this world.') 'I knew that my God was bigger than his. I knew that my God was a real God and his was an idol,' the US Deputy Under-Secretary of Defense for Intelligence told an evangelical meeting in the run-up to the Iraq War.¹⁴ It is almost inconceivable that any European in public office would express himself in such a

11 Robert D. Putnam, Bowling Alone: The Collapse and Revival of American Community (New York: Simon & Schuster, 2000). See also Michael Sandel, Democracy's Discontent: America in Search of a Public Philosophy (New Haven: Harvard University Press, 1996).

12 Immanuel Wallerstein, 'America and the world: the twin towers as metaphor' (2001), p. 14, at www.ssrc.org/sept11/essays/wallerstein_text_only.htm (accessed 23 August 2004).

13 In a celebrated footnote at the beginning of The Struggle for Mastery in Europe 1848-1918 (Oxford: Clarendon, 1954), the impish A. J. P. Taylor wrote: 'It becomes wearisome to add "except the Italians" to every generalization. Henceforth it may be assumed' (p. xxiii). The same applies here to the British, or at any rate to the missionary Mr Blair.

14 Sidney Blumenthal, 'The religious warrior of Abu Ghraib', Guardian, 20 May 2004.

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fashion (in the eighteenth century, perhaps, but not in the twenty-first). There is a view that the difference lies precisely in the mode of expression, or the culture of public discourse, rather than the prevalence of fundamentalist belief. ‘This is religion American-style,’ as Susan Sontag puts it: ‘namely, more the idea of religion than religion itself.’¹⁵ However that may be, faith-based full spectrum dominance is unlikely to reassure a Europe teeming with parsimonious secular rationalists.

Europeans do not do self-belief. Americans believe in the perfectibility of man, or at least of Americans. In this domain as in others, Europeans have lost their faith. At the risk of prolonging the life of threadbare stereotypes (innocence and experience, naïveté and ennui), an instinctive possibilism is one of the great American virtues. An instinctive impossibilism may be going too far, but the contrasting ascription of weariness or wariness to Europeans is now deeply embedded in the collective psyche. Whether it be circumspection, amelioration, or exhaustion, Europe looks askance at the ‘can do’ culture. Europeans do not do can do.

Europeans do not do China. China will serve as a kind of metonym for the world. Proverbially, Americans think big; Washington has world-historical ambitions, as J. M. Coetzee has remarked, not without a certain frisson.¹⁶ No one could accuse Brussels of world-historical ambitions. Not even Berlin has them now, except perhaps in architectural construction. European horizons have shrunk. Something very like parochialism has set in. There was always a difference of conception (having to do, possibly, with self-belief). Historically, Europeans lost empires with monotonous regularity, but they did not think or speak in terms of ‘losing’ China, in the way that Americans often lamented that they had lost China, at around the same time as they found NATO. *Plus ça change ...* While the Americans devote a

15 Susan Sontag, ‘The fragile alliance’, *Guardian*, 18 October 2003.

16 ‘I deplore the world and what it’s coming to,’ says Coetzee’s character Elizabeth Costello, in a story he read to an audience at the New York Public Library last year. ‘[History] has been taken prisoner by a gang of thugs who torture her and make her say things she does not mean.’ *Guardian*, 27 November 2003.

prodigious amount of energy to the huge challenge of how that behemoth might be regained, China barely registers on the European radar.¹⁷

Europeans do not do verbalization. Europeans constantly marvel at American lack of inhibition, verbally speaking, and at the amazing openness and unselfconscious affirmativeness that goes with it. In the New York subway there is a sign saying, 'Please, no running in the station. (Though we applaud your boundless energy and zest for living.)' Sometimes the verbal can be gestural. Outside the off-Broadway production of 'Guantánamo' there are pink party bags, courtesy of Women Centre Stage, with lipstick, mascara and wrinkle remover for those whose frowns at US and British foreign policy has left permanent scars. Naturally, Europeans pride themselves on their verbal fluency, not to mention their cultural superiority; and, of course, they have been known to orate. But that is not the same. It has been said of Henry James, the master navigator of the transatlantic terrain, 'at heart he was fascinated by Europeans, and yet he always suspected them of possessing some secret that was out of his reach because they would never express it clearly.'¹⁸

Europeans do not do war. The German Foreign Minister said exactly this during the build-up to the Iraq War. The French Foreign Minister began his oration to the UN Security Council on 14 February 2003, an oration that drew an unaccustomed round of applause from that restrained body, with the impeccable sentiment that war is always a defeat. And of course there is Robert Kagan's tract for the times, with its eye-catching proposition that 'Americans are from Mars and Europeans are from Venus'.¹⁹ Kagan can be irritating – the crude pitting of Kant against Hobbes as if in a heavyweight boxing match (Kant ahead on points, Hobbes cruising for a bruising) – but

17 If only by way of illustrating the exception, I cannot refrain from mentioning that the University of Nottingham is currently developing a purpose-built campus in the city of Ningbo, on China's eastern coast, some four hours' drive from Shanghai – the first by a British university.

18 Christophe Campos, in Henry James, *The Ambassadors* [1903] (Oxford: World's Classics, 1998), p. 446.

19 Robert Kagan, *Paradise & Power* (London: Atlantic, 2003), p. 3. And his afterthoughts, 'America's crisis of legitimacy', *Foreign Affairs* 83 (March-April 2004), pp. 65-87.

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he cuts to the quick. Europeans and Americans ‘agree on little and understand one another less and less’. This is not a passing phase. It is deep-seated. ‘It is not just that Europeans and Americans have not shared the same view of what to do about a specific problem such as Iraq. They do not share the same broad view of how the world should be governed, about the role of international institutions and international law, about the proper balance between the use of force and the use of diplomacy in international affairs.’²⁰ In other words, ‘they clash not only over tactics but over *Weltanschauung*’, as Josef Joffe pointed out some time ago.²¹

The alliance of values is overblown and oversold. To paraphrase Dean Acheson, the Atlantic has lost a community and not yet found a role. An Atlantic Alliance on the Cold War model has dissipated. It is not possible for a second time. Europeans and Americans are friends; they are no longer blood brothers. In 1945 each was indispensable to the other. There was an elemental apprehension of this, in the respective elites, and in the general populations. Sixty years on, demonstrable indispensability no longer obtains. The felt need for it has been abrogated. The savour of it has been dulled. The visceral connection felt by so many of the old breed – the chill threat, the common destiny – all that has gone. For many Americans, Europe is not what it was. It has fattened and blurred. It is no longer in the eye of the storm. It may never be again. The German question, the central question of the Cold War, has been answered, definitively. For many Europeans, America no longer burns so brightly as a beacon of hope. (Hope itself finds different expression across the pond.)²² The United States has lost legitimacy as a pacifier. It is tolerated, in some quarters, as an enforcer. It is welcomed, cordially and sometimes avariciously, as an investor. It is neither loved nor trusted.

20 *Paradise & Power*, pp. 3 and 37.

21 Josef Joffe, ‘European-American relations: the enduring crisis’, *Foreign Affairs* 59 (Spring 1981), p. 842.

22 One of the most revealing gaps between Americans and Europeans concerns the question of whether people who move to the US from other countries have a better life. Americans overwhelmingly (88%) believe this to be the case. Europeans are less and less convinced (53% of Russians, 41% of Britons, 24% of French, 14% of Germans in 2004). Pew Research Center, *A Year After Iraq War*.

This is not the end of the affair. The transatlantic relationship continues to roll along. It has formidable strengths, some of them well hidden. One of the greatest is the stories it tells to sustain itself. The real strength of shared values is in the soul of historiography. The truth lies somewhere between monumentalized past and mythical fiction. 'We have a lot in common' is the mantra that holds us together.

Andreas Andrianopoulos

USA-Europe: Do We Still Share Similar Values?

“We very seldom care about the election results in the US. This time however we care. We want George Bush to lose”, thus commented a columnist of the largest Greek daily newspaper “Ta Nea.” It appears that this is the case among the vast majority of Western Europeans. They very rarely really bothered about political developments in the USA. They considered the occupant of the Oval Office a political leader with little room for maneuver. They expected normally a similar set of policies to be coming out of successive American administrations. But not this time. It appears that the Bush administration has violently rocked the boat. At least, as far as the old Europeans are concerned.

I would like to explore here, in a few words, the concept of “Old Europe.” It is fair to say that it was not the Americans who initiated the distinction. The French President Jacques Chirac was the first to differentiate among the two parts of Europe. By implying that the, still prospective at that time, new members of the European Union should had kept their mouths shut on the issue of the war on Iraq, he made it clear, sometime in early 2003, that there were two sides in contemporary Europe. The countries that comprised the old “West,” and the new democracies that emerged from the collapse of communism. The latter, in the French President’s view, had no right to talk about transatlantic relations. Because, presumably, they could not understand them. Similarly, the arrogant governing elite of western continental Europe appeared unable to comprehend the insecurities and feelings of helplessness that permeated the psyche of eastern Europeans. The EU will presumably attempt to mold a common set of values and understandings

among both parts of Europe. And, obviously, the old West hopes to attract the old East to its way of thinking.

What is, therefore, the essence of this thinking? What was the basis of these transatlantic relations that formulated what for decades enabled us to talk about “the West?” The spectre of militaristic totalitarianism that dominated the world political scene during the first decades that followed the end of the second world war enabled the liberal democracies of western Europe and the Americas to come together and set up a common front of moderation and respect for human rights. The economic and military strength of the United States constituted the pillar of this front. The Marshall Plan established the prerogatives for Western Europe’s rapid growth. While American military might provided the necessary shield for the unburdened preoccupation of European democracies with modernization, institution-building and the introduction of generous systems of social welfare.

Within this context of American-European relations it was obvious that the Europeans were by far the principal beneficiaries. Faced with the threat of a possible westward soviet expansion – built upon a powerful ideological propaganda machine – the USA spent millions of dollars in Europe on social, educational and economic growth programs. At the same time, Washington established a network of political and/or military alliances around the globe – and with Europe in particular – to formulate policies that facilitated the encapsulation of the soviets within their own political environment. During the years of the Cold War east vs. west military entanglements were always peripheral. There was never in those days a conflict that involved a direct clash between the military forces of the two great adversaries.

This situation facilitated by necessity a political environment of cooperation and consultation. Although there were many internal antagonisms and elbow pushing among the otherwise close allies, officially the West presented a solid and unbreakable front. Faith in liberal democracy, respect for human rights and adherence to the principles of a moderately regulated market economy characterized the shared values of the western political powers. Likewise, the Americans, even in pure military matters, conferred

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always with their NATO partners no matter how weak in that particular field they were.

Some of these arrangements became shaky some years before the collapse of communism. Ronald Reagan and Margaret Thatcher broke the consensus of an interventionist in the economy state. And they challenged the rest of the West with the ultimate economic success of their new policies. Free market became the new political creed. And with the dismantling of communism was established as the new orthodoxy. The overall arrangements however that had hitherto kept together the western alliance fell almost totally apart after the Islamic terrorist attacks of the 11th of September. With the war in Afghanistan the US realized that its NATO allies were more of a burden than a facilitator at moments of crisis and necessary swift military action. Dealing with the conflicting interests of the various European powers, when its national interests were perceived to be at risk, America appeared to have decided that it did not have to bother.

The full realization of this started hitting the Europeans gradually. At the beginning there were some American unilateral initiatives. First was the decision to revoke the Kyoto Treaty on the environment. Then came the American administration's willingness to set up import barriers for a number of primarily European industrial products and to increase farm subsidies ignoring the postulations of the WTO. Consultations among partners and allies appeared to be no longer desirable for Washington. The ideological context of the post-war western milieu many felt that it was no longer there. Free market principles – that Europe worked very hard to finally adopt – were blatantly ignored. International treaties were revoked without prior discussions. And then came Washington's bellicose attitude in world affairs. War against countries in any part of the world could be declared with no regard for the interests or mutual arrangements of America's hitherto western allies. Civil rights could be readily violated even unilaterally by the US in the name of security and anti-terrorist protection endeavours. The matrix of common values on which the decades old post-war transatlantic partnership had been built, has started to become torn apart. And of course everything started, or so was perceived by the Europeans, after a group of southern religious Republicans occupied the White House.

Is this finally the end of the West? I sincerely believe that it is not. The events that unfolded after the tragic attacks of three years ago in New York and Washington brought into the surface tensions that were building up underground for years. Europe felt squeezed by America's economic might and its own inability to fold back the generous systems of social welfare that its countries can no longer support financially. Europe failed to become the new superpower that some of its members optimistically envisaged. Economic burdens, the sudden awareness that global power status entails huge military spending that very few Europeans appear willing to foot and an emerging self-realization of the minimal world political standing for the EU as a whole influences many Europeans to turn against America. It is quite relieving psychologically to condemn someone whom you would have loved to replace. And Washington does nothing to ease these feelings. But Europeans still realize that without the USA's military might and the stabilizing effect that its huge economy indirectly imposes upon the rest of the world there won't be an environment for wealth creating, for peace to prevail and for real democracy to function.

The Bush Administration's handling of various international issues has intensified tensions with the Europeans. Especially, with the war in Iraq. It appears that Washington not only marginalized most of its allies by ignoring their reservations but she also embarrassed its adamant supporters by founding the whole operation on a false pretext (the existence of Weapons of Mass Destruction). European leaders found excuses after the Iraq imbroglio to discover and project differences with Washington on a number of fronts. The issue of Palestine is one of them. Developments in Western Sudan is another. Some key politicians, on the opposite shores of the Atlantic, are drifting dangerously apart.

It is imperative that American leaders make some political amends. By indicating that they respect European opinion and that they want to work closely with the continent's leaders. The values we mentioned above have not disappeared. They are still there. But they are by and large ignored. The problem for Europe is not in my opinion the growth of a feeling of anti-Americanism. But exactly the opposite. The appearance, in other words, in the US - for the first time ever since its War of Independence - of

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an anti-European popular mood. One must consider the fact that the present day United States includes huge numbers of people without any European ascendancy (Africans, Latin Americans, Asians). With whatever this may entail for the future.

It is exactly for some of these reasons that serious politicians and moderate opinion makers in Europe care about the outcome of the forthcoming American election. Because the USA, as the most powerful partner, must take the initiative. A new climate of cooperation must emanate from the White House. Not necessarily by means of a new Administration. President Bush could himself take the initiative. He ought to change however substantially his stance vis-a-vis Europe. Ignore some of the unfounded claims of his neo-conservative advisors and political associates. Make obvious that he dislikes the notion of an American Empire. The USA is very powerful. But it needs Europe to legitimize its actions and initiatives and to prove to the world that power hasn't blinded her. America controls the economic and military commanding heights of the world today. But Europe still holds the upper moral ground. And this is something that America needs. For all these changes to take place substantial and serious efforts are warranted. For many Europeans a change in the Washington political scene could make the beginning of a new relationship easier. They presume that it would have an important and devastating symbolic impact. This is why many hopefully foresee a Democratic victory, for which I personally have many reservations.

Anna Balletbò

Diverging Systems of Governance?

For the first time in history, many European citizens are confused about their feelings towards the United States of America. They ask themselves how to keep being friends with a country that traditionally symbolizes, liberty and democracy, and that have admired so much, when the president of this country treats some important European countries as if they were enemies. That's what the American administration has done recently with Germany and France, among others, because of their denial to follow the unilateral interests of the Bush administration within the discussion about the invasion of Iraq with no other reason, than the so called "preventive war" although, as time goes by, it rather seems a "preventive business."

We all know, that in the United Nations system, each country has a vote, but we also know that not all the votes mean the same thing. Besides that the 5 permanent members of the Security Council have the right of veto, within the European Union organization the positions defended by Germany and France have different consequences that the ones, for example, defended by Holland, Belgium, Slovenia or Slovakia.

Javier Solana, in the present "Mr. Pesc," and the politician with most knowledge about United States and Europe, its needs and differences, defended last May in Paris in the Association "Mouvement Européen France" the great need to reinforce the "transatlantic relations." From his point of view, Europe is the only global partner the United States has got. And the other way round. I agree with him. No international conflict can nowadays be solved without the participation of both. We have a wide experience in the Balkans and more recently in Iraq. The transatlantic link has no substitution.

In order to solve the present situation of cool relations we should analyse a whole range of paradoxes that make us find each other very different when maybe we aren't so much. The title of these speech "Diverging System of Governance?" could be somehow confusing if there wasn't the interrogation sign that follows it.

The First Paradox

First of all, we should not mistake the differences between systems of government, which may exist, and in some cases they do, with what is happening with the regression of the political progressive options, which have been set aside due to the ultra right crusade that was against the progress reached by the American people in the 60 and the deep transformation of the everyday life that went along with it. On one side Reagan, Bush father and, especially, Bush's son, and on the other side, that is, on this shore of the Atlantic, Mrs. Thatcher and other fellows consolidated the conservative revolution and transformed it into political integrism, that is, into a ideological and political radical structure that was situated out of the mainstream democratic consensus.

This ideological radicalisation has had as consequence a movement in the right political forces that have brought the traditional right to the extreme right. So the centre took the place of the traditional right and the left became the centre, bringing to confusion all the positions of the political spectrum.

It is true that this has happened in absence of theoretical hypothesis and real proposals able to substitute the market democracy for the democracy of the citizens.

The reduction of the political and ideological spectrum we referred to before and the hypermediatization of our societies confined the democratic participation to the exclusive space of the teledemocracy, where the omnipresence of the image, the extreme simplification of the message and the obsessive protection of the collective identity in front of feared risks such as communism, immigration, the enemies called "axe of the evil", terrorism, etc., have brought populism as a model in the political system. There are relevant coincidences between the Bush's identity authoritarianism and the

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European autocratic-national populisms emerging in Europe that has had several electoral successes. In Austria, the FPÖ in 1999 got the 26,9% of the votes; in Switzerland Schweizer Volkspartei got in 2003 almost 27% of the votes; in Belgium the (VB) Vlaams Blok has become a big political party and got more than 24% of the votes in the city of Amberes; in Norway the Fremskrittspartiet has become the second party. But among them, “Forza Italia” is, without any doubt, the most worrying phenomenon because works as model for a new radical populist right that offers the “telecratic” promise of security and hope in front of the ghost of the everyday life of fear and failure.

We cannot forget Spain, where the practices of informative manipulation and lies to the citizens about the disaster of March 11th took unexpectedly out of government the party of José María Aznar, the unconditional friend of the oil-lobby that rules the world from the White House.

But we also cannot forget different Russian populisms; Putin, Jirinovski, the Ròdina Blok of Dimitri Rogocine; the Radical Party of Serbia, the first party in the country despite its leader, Vojislav Seselj, is now in prison; neither the Big Rumania Party, the second in the country. All these examples show the existence of a new phenomenon, the new Euroatlantic Alliance of national-populist condition that can be decisive in the implosion of democracy in the world.

Second Paradox

The ideological hegemony of the integrist-conservatism is nowadays what presides the political destiny of the United States and the international right. It has taken almost 30 years to consolidate without its opponents even realising. With good will they still call it neoliberalism, (so European conception). Although it is true that the economic conception of neoliberalism bases on the absolute primacy of the market and the goods, the systematic privatisation of companies and services, the extreme deregularization of all economic sectors even with high social costs, what is happening in the United States actually is the contrary of what may seem. The principles mentioned before are only partially followed by Bush’s government whose most clear expression is represented by the “Neocoms.”

There's nothing more far away from the neoliberal principals orbit that the insistent intervention of Bush's administration in the American economic life; its continuous resistance to control the monopolies; the permanent use of the public budget to stimulate the economy the direct adjudication of contracts and credits to the great multinational friends, with which they have links, in a systematic exercise of "cronycapitalism." Bush with Carlyle; Richard Perle with Bechtel; Dick Cheney with Halliburton; Carl Rove with Boeing; Douglas Faith and Paul Wolfowitz with Northrop; Richard Armiatge with Raytheon, producer of the Tomahawks missiles, etc... It could appear that the last war has been the ideal excuse for them to make good business.

It is difficult to consider liberal or neoliberal a political project in which the leaders and the power structure, the so called MICE, military, industrial, economic and parliamentarian, build an Establishment whose objective is to impose a unique ideology and a global rule led by a group that does it in its own benefit.

Third Paradox

In addition, this Establishment has been penetrated by the Christian fundamentalism that gives Bush more than 81% of the votes and has as most defenders of the political integrism, no others than the preachers of the Christian Coalition: Willy Graham, Pat Robertson and Jerry Vimes, as new apostles.

Ervin Kristol one of the founders of the "Neocoms" in his book "Neoconservatism: Autobiography of an Idea" places the origin of the movement in the late 60's as a reaction after the fall of the "American spirit". When the winds of May 68 and the counterculture tried to establish the values of pacifism, drugs and permissibility of the hippies. The Vietnam syndrome brought the idea that it was imperative to rearm intellectually in order to bring back the United States and the Western World to the right track. One of the first theorists Norman Podhoretz, who learnt from Leo Strauss and Allan Bloom, defended how to be against political relativism and the cultural egalitarianism. The path was already set when Ronald Reagan arrived and with him the successful victory that set together the extreme techno-

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logical modernity and the ultra-conservatism in the same patriotic package. After Reagan we find the Bush era and with the Bushes their doctrine and their power is consolidated during a fearful process well analysed by Peter Steinfels in the “New Conservatism: The men who are changing America”, and Paul Gottfried: “The conservative movement.” The tools to extend the idea have been the “Think Tanks” and the great multimedia communication group which have been launching platforms for debate, issues and persons. Heritage Foundations; Hudson Institute; Howard Institute; American Enterprise Institute; Centre for strategic international Studies; Carnegie Endowment for international Peace; Cato Foundation; Rang Corporation, the Washington Institute for Near East Policy, and the influent: Project for New American Century. All these institutions in symbiosis with the conservative publications such as Washington Times, Weekly Standard, New Republic, National Review, Wall Street Journal, and Commentary among others, have been the fundamental divulgation support. They have been so efficient that have even polluted more open media such as The Washington Post, The New York Times, Newsweek and even the magazine Foreign Affairs, whose director is at the present a good friend of the Wilson Centre and collaborator of the International Foundation Olof Palme, Moisés Naím. Some of these publications had to recognize recently they were mistaken supporting Iraq’s war without clear reasons.

And now the question. Is it possible to get over the present crisis in the transatlantic relations?; do we actually face insuperable barriers of diverging system of governance? What I do really think is that a political shift in the United States is necessary. Opposite than in the States, the Revolution of May 68 penetrated Europe. Not as much as the youth that invade the streets of Paris had dreamt of, but in Europe the ultra-conservative national-populism had historical precedents and caused great bellicose disasters, violence, human rights violation, poverty, etc., so that is why the civil movement rooted on its own deeper than it did in the United States. Precisely, this deep sleep in which during so many years has lived the civil movement in the United States woke up like Snow White when the controversial Michael Moore disguised as Prince kissed her. Now we’ve found out there are two Americas: Bush’s and Kerry’s but really there is the

America of the owners of the world and the America of the citizens of the World.

The future of the relation between the two shores of the Atlantic will depend on the November election. I'm willing to remind you what a French official told some time ago to the Secretary of State Madeleine Albright: "Mrs. Secretary this will work in the practice but what about in theory? This anecdote summarizes what for the Americans and British is the deep difference between the way of thinking of the French and the Anglo-Saxons. Personally I think in the US there is a lack of the "French Factor." One of the most absurd nationalist detail is that the Republicans criticise John Kerry because he is able to speak French. A president of the United States that can speak French is precisely what Great Britain and Europe need, and I could even add that this is what the United States need to repair the damage caused by the suicide unilateralism of the Bush's government if this changes, many things will be possible.

Geert Ahrens

Diverging Systems of Governance: Not a Convincing Explanation of Recent Developments

I. Introductory Remark

The following is a personal contribution, and I bear the sole responsibility for it. The task is not easy for me. When the Vatican wants to canonize someone, it nominates the Devil's Advocate. This person is tasked with collecting evidence against the candidate for canonization, although he might revere her. Today, I feel that I have to perform such a devilish role when I speak about *divergence*, after others have dealt with *shared values*, and before the subject of (economic) *cooperation* will be tabled. My biography has not prepared me well for this task because it is characterized by the experience of closeness with the United States. A brief description from a participant's perspective seems to be appropriate at this place.

After having experienced some fire-bombing during the Second World War, I witnessed, in my hometown Berlin, the Berlin airlift, when American airplanes became supply planes that we used to call *Rosinenbomber* (bombers carrying raisins). Even as the child I was, I understood that the U.S. had saved us from falling prey to a brutal Stalinist dictatorship. In 1983/1984, I spent one academic year in Harvard, and in 2002-2003, another one at the Woodrow Wilson International Center for Scholars in Washington D.C., both institutions characterized by an impressive intellectual atmosphere, and surrounded by an extraordinary concentration of scholarly institutions. This experience has saved me from any cultural arrogance Europeans might still feel towards their transatlantic cousins. Since

Harvard, I have preserved a lively interest in things American. More important has been the practical cooperation with Americans during my long career in the German diplomatic service. We young Germans took this cooperation within the one transatlantic family for granted, and never felt any tension between it and the accelerating process of European integration, which we supported with equal enthusiasm. The atmosphere of the many Western meetings, particularly at NATO HQ in Brussels, differed greatly from the sessions of the Socialist Camp. The former were, at least on the working level, free-wheeling discussions between close political friends, whereas the latter were often not much more than Soviet order issuing exercises. Western day-to-day cooperation was close and characterized by great trust.

In Hong Kong in the sixties and in Beijing in the seventies, we had frequent informal meetings with American (and European) colleagues, and the Americans were not always the giving side. In Beijing, the German Embassy assisted, whenever this was appropriate, the fledgling U.S. Liaison Office (which only later became an embassy). Its second head was George Herbert Walker Bush. As Ambassador in Hanoi in the eighties, I used, together with my French colleague, and in the absence of a U.S. mission, to brief visiting American delegations. We investigated, to the best of our possibilities, any sightings of persons who might be American MIAs (they were always Cubans). As director for Southeast Asia and the Pacific in Bonn, I was, as a matter of course, received twice at the Commander-in-Chief Pacific in Honolulu. The end of the cold war first brought with it a high point of German-American cooperation, when Washington, unlike London and Paris, supported the reunification of Germany without any hesitation. Having been brought up a few hundred yards from the German-German border, I could not but feel gratitude, even if the Americans, as every one else, pursued their own political interest as they understood it. The point was that they indeed understood German reunification as an American interest. However, when I started working as a mediator in the Balkans in 1991, I felt for the first time that the traditional transatlantic cooperation began to slacken, and, today, we are having a conference on the crisis in transatlantic relations. I do not think, however, that this crisis is a

consequence of diverging systems -- constitutional, political, or otherwise. Let me elaborate on this point.

II. Constitutional Systems

First of all, a direct comparison between the United States and Europe is a complicated exercise because the objects of comparison are not clear-cut. Particularly on the European side, there are many systems in any area of governance. What is more, in many aspects, the difference between some European countries is greater than the transatlantic distance between some of these countries and the United States. The picture gets even more complicated when, on the North American side, we add Canada, which is often conveniently forgotten in discussions of transatlantic relations. A look at the constitutional systems on both sides of the Atlantic will clarify this point further.

The United States has always been a federation and a democracy of the presidential type, and has preserved this system in spite of a number of constitutional amendments. The Canadian system differs greatly. It is also federal, but the Head of State is a largely ceremonial function performed by the monarch of the former colonial power, whereas the chief executive is a parliamentary prime minister. If one included the third North American country, Mexico, another presidential and federal democracy would have to be added, but there is good reason not to do so in the framework of this conference.

The constitutional systems of the EU member states, and of European countries outside of the EU, show an enormous variety. Some are federations, such as Germany, Austria, and Switzerland, and others are centralized to varying degrees, with or without the often recent creation of regions (France, Italy). As to the form of government, there are presidential systems, for instance, in France or Russia, and parliamentary democracies, where the largely ceremonial head of state may be a monarch (the UK, the Benelux countries, Sweden, Denmark, Norway, Spain) or a civilian president (Germany, Italy, Poland, the Czech Republic).

This variety shows that the constitutional system as such cannot be at the root of transatlantic divergences, because the dividing line is not in the At-

lantic, and the difference between the constitutional monarchies Canada and Spain, on the one side, and the presidential democracies U.S. and France, on the other, is greater than that between the American and the European examples just given. This refers also to subjective feelings. I am a convinced republican and feel uncomfortable with systems that provide for a hereditary head of state. In this regard, the U.S. system is closer to my political convictions than the British. However, the EU as a structure *sui generis* is at variance with American experience, and has no equivalent on the other side of the Atlantic. NAFTA is a mere free trade area.

The EU system as such is singular and difficult to understand. The European Union is in the process of giving itself a “constitution” that continues a development of steady perfection by a number of treaties beginning with the Treaties of Rome 1957. Whether, and when, this constitution will be ratified and enter into force is an open question that depends, among other things, on difficult referendums in some member states. The constitution will transform the EU into a subject of international law. However, it will not create a super-state, but regulate the ever more complex structures and dealings of the Union, while enhancing its transparency and democratic legitimacy. Its member states, whose number has been enlarged, on 1 May 2004, to twenty-five members, will continue to exist as subjects of international law, although the post-communist newcomers, and their population, may underestimate the degree to which EU membership restricts their recently regained sovereignty.

Ordinary Americans, if they have heard about the EU, do certainly not have a particular affection or interest in it, but, alas, ordinary Europeans, though probably somewhat better informed about the EU, would not differ greatly from this observation. Both would underestimate the real weight and influence the EU has gained by today. But this increased weight has its limits, particularly in foreign and security policy, as the split European reaction to the Iraq war has shown. Besides, the U.S. has traditionally supported the process of European unification and even makes recommendations on who should become a new member, so that the crisis in transatlantic relations seems not to be rooted in the increased international influence of the EU (if a larger number of members really strengthens the Union). Besides the

formal written (in most cases) or unwritten (e.g., the UK) constitutions, there may be more distinct differences in the “lived constitution,” i.e., political practice.

In most of the European countries, political parties play a much larger role than in the United States, and the highly personalized and unique American presidential election campaigns baffle Europeans, who are also surprised by the low participation in U.S. elections. Consequences of presidential elections can also be baffling for Europeans. Not only do ambassadors often change, but also politics to such an extent that foreign supporters of the preceding U.S. policy can really feel left in the lurch with the new administration. Another difference exists below the level of government, where, in Europe, “social partners,” trade unions, business associations, religious communities, etc., participate, by consolidated formal processes, in governance. In the U.S., the system of lobbying is much more informal and impenetrable, although both systems may lead to obscurity for the public at large. However, here again, differences on the European side are considerable. Italy and Germany correspond more to the European model than, for instance, the UK. Furthermore, this transatlantic difference has existed for decades and predates the crisis we are talking about, so that it cannot be one of its causes. The crisis does not stem from different systems, but from something more direct.

III. Power: A Growing Discrepancy

It is a worn-out formula that the U.S. is the only remaining superpower, but it remains true. Without entering into a philosophical discussion of the bases of the might of states, in our context, I would mention the military first. The U.S. military is not only by far the strongest in the world and much stronger than military forces on this side of the Atlantic, but the transatlantic gap in military technology and equipment is constantly widening. Iraq has shown that the U.S. can overpower any foreign army in an impressively short time, but may be unable to win the peace thereafter. Americans are, normally, the best critics of their own country. I like a sentence that I read some weeks ago in the *New York Times Book Review*: “To fight today’s terrorism with an army is like trying to shoot a cloud of mos-

quitos with a machine gun.” As terrorism is, for the foreseeable future, the main threat to Western values, even some enthusiasts at the Pentagon ought to recognize that U.S. military might is reassuring in many, but not all respects. Here, politics comes in.

In international politics, the U.S. maintains also a very strong and influential position. According to my own practical experience, this is true for the Western Alliance, NATO, but also for world-wide organizations such as the United Nations, or regional pacts like the OAS or the OSCE. Although this may be resented by many, including certain European states, the word of the U.S. representative has an enormous weight in international forums. However, there again are limits. Political influence is not always identical with political wisdom, but genuine leadership requires such wisdom. In this context, the preparation and aftermath of the Iraq war have led to political resistance against U.S. policy even by close allies, at the UN in particular, and the reputation of American foreign policy and intelligence gathering has suffered somewhat. In particular, large European states are not prepared to concede American policy analyses a higher quality of judgment. However, the American might is not only based on the military or politics.

In the economy, there is also a transatlantic gap, although it is more difficult to understand. By economic indicators, the U.S. and the EU are comparable entities. Yet, regarding monetary matters, Alan Greenspan, and not Jean-Claude Trichet, takes center stage, and the dollar continues to be the leading international reserve currency, although the Euro has begun challenging this role in some regions. The stock exchanges in Europe are being mesmerized by developments in Wall Street. In addition, the American economy is, at present, in a better shape than that of the EU and most of its member countries. European explanations that the American advantage is due to crass social injustice are, in spite of some justification, seldom based on serious analysis. Here again, Americans are the better critics of their own shortcomings. In the context of social injustice, I think of Barbara Ehrenreich’s bestseller *Nickle and Dimed*, which describes in vivid terms the living conditions of those at the low end of the wage scale.

Regarding social policy and cohesion, the dramatic fall of European birth-rates – stronger than in the U.S., where a greater openness to immigration helps offset its consequences – has shaken badly the generous European social welfare systems, and has led to severe political crises that weaken Europe further in comparison to the U.S., where such problems exist, but seem to be better under control. All in all, most Americans lack the marked pessimism for the future that is wide-spread in Europe.

The American *élan vital* expresses itself in many respects, giving the lie to a certain cultural arrogance on this side of the Atlantic. Out of ten films I see, nine are American; two out of three books I read, are by American authors; and pop culture is largely American-dominated. Some American wines can stand up to French or German products. The percentage of bad restaurants seems, by now, to be higher in this country than in the U.S. Such a strong position of the U.S. in almost all respects creates resentment as a natural consequence, and Americans will have to live with it. The veteran German journalist Peter Bender has written a book that contains a direct comparison between the Roman and the American Empires. Considering my recollections of Roman history, I greatly prefer the Americans, who, for instance, are generous victors, to the Romans and their *vae victis*. Some individuals who think that the grandeur of their country is their personal merit, and that Europeans have only themselves to blame for their decadence, are a fact of life but also, fortunately, good laughing stock. More serious may be the belief that a powerful country like the U.S. is most powerful alone.

IV. International Integration

Shared sovereignty, which has become commonplace to experienced members of the EU, is not a popular concept in the U.S., who relies on its own political wisdom and strength, and whose citizens visit foreign countries not nearly as often as Europeans. National pride is highly developed. Recently, in the U.S., I saw a frequent TV spot in which about a dozen persons of different racial origin tell the spectator one after the other, proudly: “I am an American.” To imagine such an “*ich bin ein Deutscher*”-campaign on German television borders the ludicrous, and even in France, which has

a more relaxed attitude towards its own history than Germany, I could not imagine a corresponding „je suis Français“-exercise.

This concept of its own national role has an influence on all international or global enterprises that might affect American sovereignty, although the U.S. is, as a rule, not principally opposed to them. To mention a few well-covered issues: The International Criminal Court (ICC), established with lukewarm U.S.-support in 1998 by the Rome Statute, has, after the Statute entered into force four years later, led to an open transatlantic row under a new U.S. administration, in which both sides sought the support of the baffled post-communist states of Eastern Europe, and pressured them unfairly. Similar issues concerned the World Trade Organization and its rights, interventions in third countries without a UN mandate, the global environment and the Kyoto protocol, or common policies on immigration and asylum. On all these issues, Europeans are readier to forego certain aspects of their sovereignty than Americans, but also often lack understanding for specific American interests. This transatlantic difference (with Canada on this side of the Atlantic) is exacerbated, when the American practice shows disregard for the underlying concerns.

I hesitate to name these focuses of European anti-Americanism even in my role as the Devil's Advocate, but they belong in this context. Let me make three examples.

(One) To begin with the judiciary, I can understand American concerns that U.S. personnel, who often are necessary to resolve international crises in the interest of the international community, may be tried by a panel of, as Washington fears, biased foreign judges. However, this understanding suffers if the U.S. itself does not consistently observe the highest standards of human rights (Abu Ghraib, Guantanamo) expected by Europeans.

(Two) Leaving out the complicated WTO issues, I feel that an intervention without UN authorization is a serious matter because it could undermine the great progress that the 1945 Charter has created with regard to the legitimacy or not of warfare, an achievement that has a considerable significance for Europe and its bloody 20th Century history. In this regard, greatest caution is necessary, and poor assessment and intelligence must not oc-

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cur. Unfortunately, this is not the place for a detailed discussion of the important initiative by the UN Secretary-General and others that goes under the name of *The Responsibility to Protect*.

(Three) As to the global environment, Europeans resent the non-acceptance of the Kyoto protocol by the country with the highest per capita energy consumption and, in comparison, very low energy prices. In my rented house in Maryland, I was surprised that windows could hardly be opened, and when I wanted to heat or air-condition one room, I could not but do this in ten rooms, i.e., the entire house. It is difficult to change such established behaviour, but some beginning and some more good will would certainly be welcome on this side of the Atlantic.

However, none of the aforementioned three points of divergence explains a real crisis in transatlantic relations. The one real change in the political environment, the end of the Cold War, has, in my view, not ended the transatlantic community of interests. Both sides would be well advised to take each other's interests into careful consideration, and continue their traditional cooperation. These common interests are the fight against terrorism (or "war on terror"), good governance and the rule of law wherever possible, free trade and world-wide economic health, and meaningful cultural exchange. Against this background, conflicts will not be lacking and ill feelings may crop up here and there, but we continue to have much in common. In any case, everything should be done to avoid primitive anti-Americanism on this side of the Atlantic, and lack of consideration for the interests or feelings of "Old Europe," or arrogance, on the other. I am, after all, optimistic.

Robert Wade

US and European Relations with Developing Countries: Aid, Trade, and Investment

“I’m a bit of a protectionist myself in the sense, if our jobs are going to India, we’ve got to get some kind of compensatory adjustment from them” (Ray Pagett, Walton County [Florida] Democratic Party chairman, retired Coca-Cola executive who spent three years in Vienna, quoted in John Vinocur, “The Redneck Riviera, where Bush can’t lose”, *International Herald Tribune*, August 31, 2004)

“The US has yet to comply with a growing list of other WTO judgements against its trade policies and some Congress members say the ratio between its ‘wins’ and ‘losses’ in the organization is becoming unbalanced” (“Trade: Fresh road map to help find the exit”, *Special Survey, Financial Times*, October 1, 2004).

The aid programs of the US and of European states have changed substantially over time, and are now quite similar in the sorts of activities they support.¹ This is not the result of active cooperation, however, but of the growing centrality of the World Bank in defining notions of “appropriate” activities for aid. Aid, though, is a minor part of the economic relations between the US and Europe, on the one hand, and developing countries on the other. Trade and investment are much more important. Here the US and European states, especially the Group of Seven (G7), have indeed been cooperating to establish global rules of trade and investment. But I shall argue that their cooperation is not necessarily a good thing in terms of a “world interest”. The rules tip the playing field of the world economy even more against developing countries than in the past,

¹ For comments I thank without implicating Paul Isenman, of the OECD Development Center, and Michael Lipton.

even as much publicized disputes erupt in US-Europe trade. The US and Europe are cooperating, in other words, to lock-in their oligopolistic advantages at the top of the world income hierarchy.

US and European Aid: Similarities and Differences

Figure 1: Aid Volume: ODA as a per cent of GNI

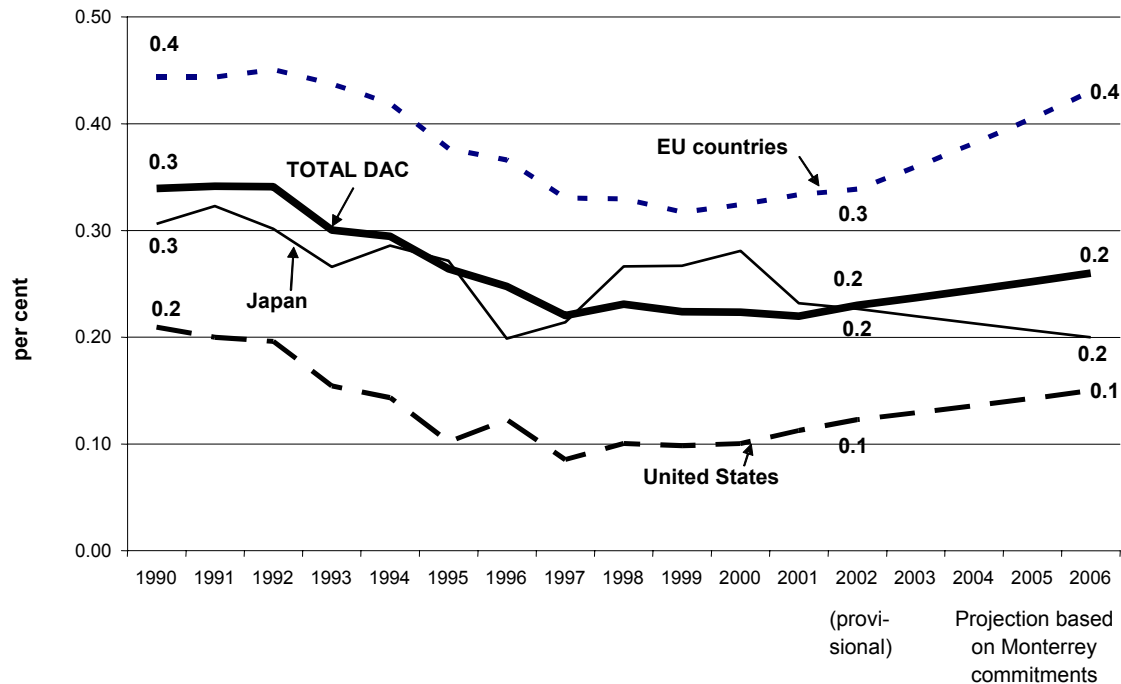


Figure 1 shows the trends in aid volumes from the EU, Japan and the US, from 1990 onwards. The US has by far the lowest percentage of Gross National Income – though the percentage has increased slightly during the Bush II administration.

US aid

Political support for aid has been weaker in the US than in Europe. The idea of the US government giving aid has always run up against a strong liberal tradition which sees the use of *tax-payers'* money for charitable purposes as basically wrong. US Marshall Plan aid after World War II (2 % of GDP for several years) was a big exception, propelled by the strategy for containing communism and by the need to find customers for American exports. However, the US does give far more *private* aid—NGO and foundation—than anyone else.

The US presidential system, with a legislature wide open to lobbying groups, has given the executive branch less leeway to pursue objectives—such as a generous aid program—viewed with suspicion by influential parts of the electorate. In the population at large, the sort of attitude captured by the speaker in my first epigraph is typical. The US Congress, more than other legislatures, micromanages aid so as to reward domestic as well as foreign favorites.

US aid has for decades been divided into two streams. One is the overtly political stream to Israel and Egypt, which is largely a cheque-writing exercise, with more or less automatic quantities. The other is the more orthodox “development assistance” program for everyone else. In the mid 1970s this switched to an explicit focus on “poverty reduction”, with a sharp emphasis on “results on the ground”. For a time, USAID had by far the best delivery system of any aid donor, with strong aid missions staffed by professionals, and elaborate attention to “M&E” (monitoring and evaluation). But over the 1980s and 1990s, as political support for aid shrank, the whole aid delivery system shrank too.

Now USAID is staffed mainly by contract managers, who contract out the work to the “private sector”. Highly qualified young Americans do still flock to it out of a sense of “doing good for the world” (and it pays better than NGOs or teaching), and provide it with some continuing in-house technical expertise. But they do not rise up the hierarchy.

The content of aid has become more tied to ideological and foreign policy objectives; in particular, democratisation and private sector development.

European aid

European states have a stronger social democratic tradition, which sees income redistribution through the state as morally just—including even to poor non-citizens in poor countries. In general, those who care more about equality and social cohesion at home care more about these values abroad as well. Hence the much higher proportion of European GDP given as aid than in the US. European parliamentary systems give more scope for executive action—including on aid--free of restrictions imposed by representatives of special interest groups.

European states vary widely in terms of how much emphasis they give to aid effectiveness. Quite a lot in Germany; not much in Italy. The aid pro-

grams tend to be run out of embassies (not separate aid missions), and by generalists rather than aid specialists. The aid tends to be less ideological and more geared to paving the way for European exports. (The aid programs of the UK and Scandinavia are partial exceptions to these generalizations.)

But nowadays a lot of European aid goes not through bilateral programs but through multilateral development banks and the European Commission, both of which are more strongly oriented to “development” objectives and give more attention to effectiveness. The Poverty Reduction and Strategy Papers (PRSPs), which the World Bank and the IMF require to be written by borrower countries (with heavy input by those organizations, in many cases), have provided a focal point for US and European aid cooperation.

European and US convergence on the aid agenda

Despite the several kinds of differences, the US and European aid agendas are broadly similar in the kinds of activities that receive support. In particular, both sets of donors have moved away from support for directly productive sectors; aid to agriculture, for instance, has fallen by two thirds as a share of total aid since 1980, even though 60 percent or more of the world’s poor depend on agriculture. Rather, they converge on aid for the “social” agenda, including primary (but not tertiary) education, primary health care, together with “institutional reform” to do with the judiciary, police, and the like.

The reasons are several, but include the growing centrality of the World Bank in defining the “appropriate” sectors for aid, partly via the PRSP process just mentioned but also via wider processes of legitimation. US international NGOs, influential in Congress and the executive branch, are keenly interested in the “social” sectors but not much interested in production. They have helped to promote the social agenda as the appropriate agenda in the eyes of the US state, which has shifted the agenda of the World Bank accordingly, which has shifted the agenda of bilateral agencies in the same direction. As an official of the German Development Bank explains,

“We here at the German Development Bank just copy the World Bank arguments on world poverty whenever we can, and we treat what the

Bank writes as if it were the holy scripture itself and we were hardcore Methodists. The German Ministry for Cooperation obliges us to highlight in every report on our development projects the effect the project has or will have on reducing the Millennium Development Goal-1 (MDG-1), Poverty Reduction. *Projects where this impact is only indirect, as with "transport" or "energy", are considered "bad" or "useless"*. Moreover, our minister uses the "one-dollar-per-day" rhetoric whenever a TV-camera is turned on.

I find it unfortunate that there is so little discussion of the flaws of World Bank statistics and theories and policies within the institutions of bilateral development such as mine. The "Bank" is our quasi-holy benchmark and nobody questions it. Maybe the World Bank should adopt the motto of the Spanish State Emblem that dates back to the times of Carlos the Fifth: "Non plus ultra".²

US aid and European aid since the Bush II administration

Since 2000 and the advent of the Bush II administration, the differences between US and European approaches have sharpened. The US has emphasised the need to switch from loans to grants; has cut its aid budget (with the apparent exception of the Millennium Challenge Account, see below); has given no support to developing country governments for trade negotiations (eg in the WTO); and insists on giving (most of) its aid in project-by-project form, rather than in government budget support, and with much of the aid being channelled through the national affiliates or branches of US-based NGOs.

European states, by contrast, continue to support aid in the form of subsidized loans (rather than grants); support higher aid amounts; do give support to developing country governments in trade negotiations³; and do give aid in the form of general budget support once they approve the government's budget priorities.

² Official of German Development Bank, who requested anonymity. Emphasis added.

³ At the end of the disastrous Cancun ministerial meeting of the WTO the German minister for agriculture yelled at the German aid minister (he could equally have been yelling at the UK aid minister), "See what you did!", referring to the help that Germany and other European states had given to developing country governments in stiffening their negotiating position.

The mode of delivery

The last point needs qualification. It is mainly the northern European and UK governments who *talk* of budget support as an important principle for supporting the government's policy-making capacity; the other European governments are not so keen. And in any case, the northern Europeans and the UK act behind the talk, since they too feel obliged to have a way of pressing domestic interests in aid projects. The European Commission does give a substantial proportion of its aid in the form of budget support, because it is more insulated from particular national interests.

The US is out of step with the recent European emphasis on channelling aid through the public budget. The US is adamant that it will not do so. In the name of "accountability", it insists on separate quarterly and annual reports for each of its aid projects. If it has 20 projects in a country, this may generate some 200 meetings with government officials a year. For an already overstretched African or Central Asian government, the use of scarce manpower for these purposes is not necessarily optimal.⁴ Also, this mode of aid delivery tends to skew the priorities of line ministries towards those of the aid donor, so as to attract more project finance—on which the ministry's budget increasingly depends. Moreover, to the extent that the project aid is channelled through NGOs, especially US-based NGOs, the national government has no say over the priorities, and may not even know what is being done on its territory.

The US's Millennium Challenge Account

The Bush administration's Millennium Challenge Account seems to be an exception to the general picture of US aid. Bush announced at the Monterrey ministerial meeting of the WTO, in 2002 (in the wake of 9/11), that the US government would create an aid fund—called the Millennium Challenge Account—that would quickly grow to \$5 billion a year. The money would be given in the form of grants with few conditions to governments that met a series of criteria, including good governance, investment in education, and economic freedoms. Each qualifying government

⁴ US aid officials claim that much of the reporting work is done in-house or by their own contractors, which saves the government a lot of work; but it also by-passes the government and contributes to the government not knowing what is going on in its own territory.

could receive up to \$300 million a year in additional aid beyond its current assistance from the US. ⁵

This initiative seems to promise a substantial improvement in US aid performance. Certainly, it still has the US “cherry picking” countries for US aid, but cherry picking on *development capacity* grounds rather than the more usual political grounds—which is an improvement. However, Bush’s announcement came out of the blue, with no discussion within the administration and no supporting plan. Nearly two years on, no money has yet been spent. The Congress has slashed the originally announced amount in half, and has not even appropriated the reduced amount. A lot of even this much reduced amount will probably end up being just a re-packaging of existing aid dollars, not a net addition. The money will probably continue to be channelled through NGOs, because of the force of the idea that US aid should be used to “support individuals, not governments”. And none will go to agencies that support birth control programs, including those that promote the use of that other weapon of mass destruction, the condom.

The rise of Evangelicals in the aid business

US aid has long been opposed to birth control and abortion programs, and opposition has intensified under the Bush administration. This reflects the stronger influence of Evangelical Christians in US politics, and Bush’s own commitment to Evangelical values. White Protestants who describe themselves as evangelical or born--again make up one quarter of the electorate, more than blacks and Hispanics put together. The White House, the cabinet, and the US Congress contain a strong Evangelical presence.⁶ The administration has created new Centers For Faith-Based and Community Initiatives (CFCI) in five departments and in USAID, each shaped by Evangelicals. These centers are especially charged with increasing the role of “faith-based organizations” (FBOs) in partnering the federal and

⁵ Glenn Kessler, “Reinventing U.S. foreign aid at Millennium Challenge Corp.”, Washington Post, 9 Aug 04.

⁶ For example, Karl Rove, Bush’s chief political strategist; Michael Gerson, Bush’s speech writer; John Ashcroft, Attorney General; Sen. Tommy Thompson, Health and Human Service Secretary; Ron Paige, Education Secretary; Robert Polito, director of the Faith-based and Community Initiatives Center at Dept. of Health and Human Services; Tom DeLay, majority leader of House of Representatives; and so on.

state governments in all welfare work, including foreign aid. The FBOs in receipt of federal funding are allowed to retain religious autonomy over their governance and to display religious symbols and preach religious messages as they like. (The guarantee of freedom of religion in international human rights law has no counterpart guarantee of freedom *from* religion.)

For Evangelicals, “anti-abortion” (or “pro-life”) and “abstinence” (as distinct from “birth control” or “safe sex”) are litmus tests, *sine qua non*.⁷ In this spirit, the administration has refused funding to both the International Planned Parenthood Federation and the United Nations Population Fund on the basis that they do not counsel against abortion. In particular, the administration justified its decision to stop funding the UN Population Fund on the grounds that it supports forced abortion and sterilisation in China—despite an independent assessment finding no evidence of such support. It has also cut funding to Marie Stopes International because of its involvement with the UN Population Fund, and threatens UNICEF that its funding will be cut if it does not stop working with the Population Fund. In June 2004 the administration withdrew support for an international health conference on the grounds that the conference included speakers from the Population Fund and the International Planned Parenthood Federation.⁸ In effect, then, most of the US government’s aid for international reproductive health—and also for HIV/AIDs⁹—is going through faith-based organizations committed to “abstinence” and “pro-choice”.

This is despite evidence that criminalizing abortions makes them unsafe but does not eliminate them. Unsafe abortions account for 15% of maternal deaths worldwide, and most unsafe abortions occur where they are illegal. Half of abortions in developing countries are illegal.

7 The Evangelical influence—as seen in state laws that attempt to govern even the consensual sexual behavior of citizens—goes far back in US history. Ten US states still have “anti-fornication” statutes, which make premarital sex a *criminal* offence. Twenty four US states have “anti-adultery” statutes, which make adultery a criminal offence. In August 2004, a town attorney in Virginia was sentenced to community service after pleading guilty to adultery. If the jurors were a representative sample, over half of them had themselves committed adultery.

8 New York Times, June 21, 2004.

The US government's antipathy to condoms and other means of birth control and its zealous promotion of abstinence before marriage for the citizens of the world is not shared in Europe. However, the World Bank, inspired by the US example, is now considering how it can increase its use of FBOs as channels for its Multi Country AIDS Program.

The influence of US Evangelicals on the US aid program is not limited to anti-abortion and abstinence. They have within the past several years become much more engaged in broader aid issues than in the past, and have even encouraged an increase in US aid—for the purpose of promoting Evangelical values. The US aid program is increasingly set by an improbable “Baptist-Bootlegger” coalition of Evangelicals (Jerry Falwell), far-right conservatives (Jesse Helms), pop stars (Bono), and civil society NGOs (Oxfam).

US and EU Cooperation in Framing the Rules of the World Economy in Their Favor

Aid, as I said, is small change compared to flows of trade and foreign investment. The US and the EU have been cooperating well, for the most part, in setting the rules; but the net result is not good for developing countries.

The WTO

Take the WTO for example. The rules of the WTO are made largely by the US and European states and then presented to other states for ratification.¹⁰ They have framed the major agreements of the past decade—such as the Trade-Related Investment Measures (TRIMs), Trade-Related Intellectual Property Rights (TRIPs), General Agreement on Services (GATS), and Subsidies and Countervailing Measures (SCM).

9 Of the administration's \$3 bn. HIV/AIDs budget for the five years from 2003, 33% was earmarked for programs to teach the value of sexual abstinence before marriage.

10 Wade, “The ringmaster of Doha”, *New Left Review*, 25, Jan/Feb 2004; Fatoumata Jawara and Aileen Kwa, *Behind the Scenes at the WTO: The Real World of International Trade Negotiations*, Zed Books, 2003.

These agreements contain a striking asymmetry.¹¹ On the one hand they classify as “prohibited” or “actionable” a whole series of industrial policy measures that are directly relevant for expanding production capacity in selected industries, especially capacity controlled by domestic firms. The TRIMs, for example, prohibits local content requirements, trade balancing requirements, foreign exchange balancing requirements, domestic sales limits (which restrict a foreign-invested firm from selling more than a certain proportion of output on the domestic market). Such measures were extensively used in East Asia (Japan, South Korea, Taiwan, to some extent the Southeast Asian states), and were almost certainly important for their successful development—they being the most successful developers of the post-war era.¹² These industrial policy measures remain relevant today for developing country governments trying to accelerate their country’s presence in industries that are already well established on a world scale. In this sense the WTO rules restrict the “policy space” of developing country states.

On the other hand, the WTO agreements give plenty of scope for other kinds of industrial policies that are more relevant to the knowledge-intensive industries and technologies that the core OECD states are each trying to promote within their own territory. (In these industries, support for closely linked suppliers of inputs and demanders of output, and for conducive institutional frameworks, is more relevant than direct support for production expansion, as in the older industries of more relevance to developing countries.)

For example, the TRIMS permits subsidies for venture capital financing of high tech startup firms, for infrastructure and financial support for high tech exports, for financing of “pre-commercial” technologies and product development, transfers of intellectual property rights, government procurement to stimulate local demand for domestic products (eg IT and telecommunications). The point about government procurement is espe-

11 Linda Weiss, “Global Governance, National Strategies: How industrialised states make room to move under the WTO”, Government and International Relations, School of Economics and Political Science, University of Sydney, July 2003. Wade, “What strategies are viable for developing countries today? The WTO and the shrinking of ‘development space’”, *Review of International Political Economy*, 10, 4, 2003.

12 Wade, *Governing the Market: Economic Theory and the Role of Government in East Asia’s Industrialization*, Princeton University Press, 2004 [1990].

cially important, because government procurement purchases account for some 20% of GDP in OECD countries. Also, the rules give much scope under the rubric of “national security”. The US government, for example, retains the authority within the WTO rules to control foreign direct investment (FDI) by giving the president discretion to prohibit or otherwise shape FDI in the interests of “national security”. The criteria of relevance for determining national security are left completely unspecified, open to the president to decide case by case. For example, with this authority the president prohibited the purchase of a US tyre company linked to US defence firms, by a French firm.

In short, the WTO rules—that the US and the European states cooperated to frame—permit countries to use industrial policy instruments suitable for knowledge-intensive industries and technologies. In this sense the WTO has become “an upgrading device for developed economies”, in Linda Weiss’s words.¹³ On the other hand, WTO rules prohibit or make actionable other instruments that are of declining use to developed economies but of much use to developing countries. For the US and Europe, this is “win-win”.

Indeed, the situation is even better for the US and Europe. They have managed to frame trade negotiations with developing countries as an exchange of (a) expanded access to their markets for agricultural exports from developing countries, plus reduced subsidies to their own agricultural producers, in return for (b) expanded access to developing country markets for manufactured goods, services, and FDI from rich countries. This would tend to preserve their advantages at the top of the world income hierarchy by deepening the specialization of developing countries in activities with low income elasticity of demand, and deepening their own specialization in activities with high income elasticity of demand. As a result, developing countries either keep hitting a balance of payments constraint and have to maintain a relatively low rate of growth, or they finance their growth with foreign savings and open themselves to the likelihood of financial crisis.

Then Europe and the US, having managed to frame the negotiations in this way, have demanded prompt action by developing countries on part (b), while dragging their heels on part (a). Dragging their heels to the

¹³ Weiss, 2003.

point where in September 2004 an editorial in the *International Herald Tribune* reports that, “The European Union’s ... member states...are coming to terms with the fact that the status quo is unsustainable, that the industrialized world cannot continue to have it both ways by benefiting from a global trading system that forces poor countries to lower their barriers to manufactured goods and services while insulating its own farmers from global competition”. Note the use of the present continuing tense!¹⁴

Then, at the next round of negotiations--after developing countries’ have moved to liberalize access to their markets for the North’s manufactures and services while the North has not done much to meet its commitments-- the US and the EU say to the developing countries, “In this new round you must make some more concessions to us. You can’t expect us to act without reciprocity on your part. ” (Recall the spirit of the two epigraphs.) Lacking leadership and out-maneuvred in the big things in the WTO, the developing countries have tended to accede. When, at the WTO sub-ministerial negotiating round in Geneva in July, India and Brazil began to exercise leadership and coordinate developing country positions, they were called obstructionist by US and European delegates.¹⁵

The danger for developing countries outside Asia is compounded by the rise of China as the major center for the production of low-wage manufactured goods, which knocks out production capacity in other developing countries—including in Latin America. In the words of *The Financial Times*, “a paradigm shift may be underway as Latin America moves away from efforts at economic diversification back to its area of historic comparative advantage—agricultural and industrial commodities”.¹⁶

Developing country negotiators should be negotiating not only for improved market access for agriculture but also for more scope to pursue industrial policies that upgrade their own industries and escape the trap of commodity supplier. But so far the US and the European states are cooperating quite effectively to block them, with aid programs as the sweetener. Their cooperation is masked by the well-publicized disputes be-

14 Wade, “Held hostage by the anti-development round”, *Financial Times*, 29 August, 2003.

15 Wade, “The WTO still has a long way to go”, *International Herald Tribune*, 2 August 2004.

16 Richard Lapper, “China begins to exert its influence on Latin America”, *Financial Times*, 26 Sep 2003.

tween them in the WTO, in which the European Union has won several cases against the US—to the point where Congressional personnel are briefing the press that the US may leave the WTO when a reauthorization bill comes before the Congress in 2005.¹⁷ This is very unlikely, because the gains from US and European cooperation in setting the rules in their mutual favor are huge.¹⁸

The IMF

Europe and the US are being assisted in pushing their common interest in opening up developing countries to their goods and firms and capital by the IMF. Now that the IMF cannot, post Asian crisis, continue to demand that developing countries open their capital accounts to the free movement of capital, its catch-cry has become “flexible labor markets”. The managing director, Rodrigo de Rato, “can’t seem to stop off an airplane without urging the local government to introduce more flexibility into labor markets”—notwithstanding recent OECD research that shows that employment protection policies of the kind Mr Renato wants universally abolished have not only efficiency costs, but also social benefits which Renato ignores.¹⁹

17 Paul Magnusson, “The WTO loses friends on the Hill”, *BusinessWeek*, September 2, 2004.

18 These trends in the world rules for trade and investment would be less worrying if world income distribution was becoming more equal. Some analysts, including the World Bank, claim that it is (since about 1980). For contrary evidence see Wade, “Is globalization reducing poverty and inequality?”, *World Development*, 32, 4, 2004; “On the causes of increasing poverty and inequality, or why the Matthew Effect prevails”, *New Political Economy*, 9, 2, June 2004; “The invisible hand of the American empire”, *Ethics and International Affairs*, 17, 2, 2003.

19 John Schmitt, “Lessons for the IMF: sometimes efficiency is not the best measure”, *International Herald Tribune*, September 30, 2004. The OECD research is reported in the OECD’s *Employment Outlook*, 2004.

Developing country governments would be wise to show Mr Renato this research. And to continue to stress the ways that the elites of the rich world, in their own longer-run interest, do have an interest in promoting a more equitable distribution of world income. ²⁰

20 I do not doubt that some of the restrictions imposed by the WTO on what developing country governments can do are a good thing in terms of development. For instance, Indians would surely benefit in the aggregate from having some foreign insurance firms provide insurance; the existing monopoly structure of protected Indian insurance firms hurts the poor as well as the middle-class. But even in these cases, there remains the question about appropriate ways of getting things done—whether by G7 organizations requiring compliance (eroding sovereignty) or by internal political pressure. There is no right answer.

Elke Thiel

Prospects for Economic Cooperation: Trade and Monetary Policy

Overall Observation

The transatlantic economic relationship is functioning smoothly, especially when compared with the frequent political quarrels that have strained the Atlantic Alliance in recent years. Trade conflicts have been prevented from escalation, although sometimes at the last minute. The euro has not challenged the key currency role of the dollar. The European Union has implemented the first round of Eastern enlargement which also eases American business in the new member states. Rival regional economic approaches have continued to be a matter of serious concern, such as the All-American Free Trade Area and the intended free trade agreement between the EU and Mercosur or American and European regional endeavors in East Asia. Yet it seems to be understood on both sides that deeper regional cooperation should go hand in hand with deregulation in global trade. The US and the EU worked together in launching the Doha Round after September 11. The Doha negotiation frame was just concluded in Geneva at the end of July. In contrast to the Uruguay Round, the US and the EU seem to be very considerate not to impede negotiations by their bilateral dispute on agricultural policy. They have agreed on a framework for a joint approach on agricultural questions in the WTO. Regarding prevailing perceptions of a “Transatlantic Crisis,” these may be encouraging observations. The transatlantic economic relationship is certainly not free from grievances, but the basis is very solid.

The Transatlantic Economy

The United States and the European Union are the two regions in the world economy, which are most closely linked. The high level of economic integration would, in fact, justify the term “transatlantic economy.”

On both parts, transatlantic trade amounts to about 20 percent of overall foreign trade. More than 50 percent of foreign investment in the US comes from the European Union and the EU shares about 45 percent of American investment abroad. The relationship is profound, essentially balanced and profitable. It involves numerous, mostly anonymous transactions and actors from all parts of the US and the EU and throughout the societies. More than three million EU citizens work for American owned enterprises in Europe; vice versa, every twelfth employee in the United States has a European employer.¹

The outstanding importance of the economic relationship has been explicitly acknowledged in the New Transatlantic Agenda of 1995, and received distinguished treatment by the “Transatlantic Economic Partnership” of 1998. Official steering committees and specialized working groups have been established to identify still existing trade and investment impediments and to recommend adequate remedies. American and European business leaders have participated in the project from the beginning and have made substantially contributions. Consultation includes all kind of official and private partners and mirrors the broad range of issues involved. A dialogue of this depth and dense may not be found between any other regions.

Due to the high level of transatlantic integration, differences in domestic regulations and standards have become a major concern. Such barriers are systematically dealt with in a Roadmap for Regulatory Cooperation and Transparency, meant to minimize regulatory divergences. A Financial Markets Regulatory Dialogue has been established to promote the creation of an effective transatlantic capital market.

About 98 percent of transatlantic business transactions are trouble-free. When trade disputes hit the headlines, the contentious issues are marginal in proportion to the volume and value of the overall trade - no more than two percent. Although volumes are small, such conflicts can cause severe damages, however. In a survey of the European American Business

1 Stefan Fröhlich, Die transatlantische Wirtschaftsgemeinschaft. In: Internationale Politik, 57(April 2002)4, pp. 31-36 (35)

Council, almost all business leaders considered the resolving of transatlantic trade disputes the highest priority issue.²

Trade Disputes and Grievances

Trade disputes have occurred time and again in the transatlantic relationship. Almost all followed the same pattern: After a period of dangerous escalation, the quarrel is being resolved by a bilateral, last minute compromise. Since the dispute settlement bodies of the WTO have been established, the US and the EU have, more and more, requested a WTO ruling on contested issues. In the long lasting disputes about hormone treated beef and bananas, the United States, for instance, received the backing of the WTO for her claims. In various other cases, WTO ruling supported the claims of the EU. The EU, for instance, received authorization in 2002 to use countermeasures in compensation for US safeguards on imported steel and in retaliation of the US Foreign Sales Cooperation legislation (FSC). But such measures were only applied in a very limited way in the latter case. In the steel case, the EU abstained from sanctions on an American announcement that a significant number of steel products might be excluded from the safeguards.

The dispute over the US Foreign Sales Corporation tax break has caused serious worries in the transatlantic business community. US legislation eliminates certain income from foreign subsidiaries from taxation, which has been deemed an illegal export subsidy by the WTO in February 2000. The legislation has been replaced by the Extraterritorial Income Exclusion Act (ETI), but not modified in substance.³ In a ruling of August 2002, the WTO authorized the European Union to impose tariffs in the amount of \$ 4 billion on American products in return. Penalties of this scale would, certainly, harm businesses in the US and the EU as well. The European Trade Commissioner, Pascal Lamy, at once declared that sanc-

2 Statement of William M. Berry, President of the European American Business Council in the Hearing on “The U.S.-European Relationship: Opportunities and Challenges”, before the Subcommittee on Europe of the Committee on International Relations. House of Representatives, One Hundred Seventh Congress, First Session, April 25, 2001, pp. 28-30 (29) (Serial No. 107-9)

3 In January 2002, the WTO Appellate Body thus ruled that the revised legislation was not in compliance with WTO ruling of February 2000. In March 2003, the WTO again endorsed EU request for countermeasures. For this and other cases see: European Union, Factsheet, US Non-Compliance with WTO Rulings. EU-Publication on the occasion of the EU-US Summit, June 26, 2004.

tions would not be imposed immediately, so that the American Congress would have sufficient time to revise the legislation after the 2002 election. As the issue remained pending, the EU finally introduced some limited sanctions on May 1, 2004.⁴

In June 2004 the US House of Representatives adopted the so-called Thomas bill repealing the Foreign Sales Corporation and Exterritorial Income scheme. A similar bill passed the Senate already in May. Commissioner Pascal Lamy expressed relief and the expectation that a revised legislation will come in force soon. The EU will withdraw sanctions at the same moment.⁵

The fact that both parts currently tend to request WTO arbitration for the clarification of their claims enhances objectivity and may help taking acrimony out of the conflict. Moreover, the European Union has indicated that sanctions, once authorized by the WTO, will only be applied as a last resort.

A number of other legislations, where compliance with WTO ruling still has to be achieved, are pending in the US Congress, however, including the repeal of the so-called Byrd Amendment (Continued Dumping and Subsidy Offset Act) of October 2000.⁶ The Act provides that proceeds from anti-dumping and countervailing duties shall be paid to the US companies, having filed the case. Since payments tend to concentrate on few recipients, they have distorting effects on international competition. The Act is incompatible with several WTO provisions. The deadline for implementing WTO ruling on the matter was December 2003. In addition to the European Union, six other WTO partners have asked for the authorization of countermeasures, Brazil, Canada, India, Korea, and Mexico.

The European Commission monitors advancement of the crucial legislations and may again appeal again to the WTO, if an issue is overly delayed. Regarding strong anti-WTO feelings in US Congress and in both

4 The introduction of an additional customs duty of 5% on a list of US products, followed by automatic, monthly increases by 1% up to a ceiling of 17% to be reached on 1 March 2005, if compliance has not happened in the meantime.

5 European Union, News Release, No. 102704, June 17, 2004. <http://www.eurunion.org/News/press/2004/200400102.htm>

6 See: European Union, Factsheet, US Non-Compliance with WTO Rulings, op.cit.

parties, the transatlantic trade relationship might thus become more strained in the course of the election campaign.

The dollar-euro relationship

The euro is now in existence for nearly six years. Twelve EU member states currently share a single currency. In contrast to premature suspicions, the impact of the euro has been minor on the dollar and, above all, in no way detrimental. Experts agree that the euro has the potential for adopting major key currency functions. At the eve of the monetary union, many predicted, that the euro would advance as a global currency relatively soon. As the weak euro valuation in the initial years followed by a moderate appreciation indicate, currency diversification between the dollar and the euro must have been very gradual. The position of the dollar as the preeminent international currency is not being challenged.

Potential causes of grievances are the continuously high US current account deficit, and the unsatisfying growth performance of the euro zone, especially in the large member states. The European Union has not yet taken full advantage of the one market – one currency opportunity. The European single market offers substantial benefits, but still is uncompleted. The creation of union-wide regulatory frameworks for internal market transactions often lags behind business needs. The so-called Lisbon Strategy still has to be implemented.⁷ Member states have become more serious in the pursuit of domestic reforms, however, and action plans for eliminating remaining barriers in the internal market are in execution.⁸

High expectations have always been set in the unified European financial market. In terms of size, sophistication and depth, it should offer similar opportunities for capital investment as the American market. Market integration is being promoted by the euro, but markets still are rather fragmented by different national regulations. A comprehensive action plan for

7 At the Lisbon summit of March 2000, the European Council set the strategic goal for the EU “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable growth with more and better jobs and greater social coherence” in 2010. European Council, Lisbon, March 24, 2000. Conclusions of the Presidency.

8 See also: Barbara Böttcher, Klaus Günther Deutsch, Elke Thiel, Growth and Prosperity in Europe – An Agenda. Deutsche Bank Research, EU-Monitor, No. 8, January 2004.

financial services, including time schedules, has been set up to modernize and improve regulatory framework conditions for private transactions. EU legislation procedures have been streamlined by the so-called Lamfalussy approach with the view of accelerating decisions.

The European financial market project is a huge and ambitious reform package, which only compares with the single market program of Europe 1992. It is very relevant for the transatlantic relationship, too. Close consultations on forthcoming EU directives are being pursued in the transatlantic Financial Market Regulatory dialogue. They shall ensure that European regulations will not impede US participation in the emerging unified European capital market. The implementation of the project may thus contribute to a further deepening of the transatlantic economy as well.

The continuously high American current account deficit is a potential risk for the US, the EU and international currency system. The deficit is being financed by foreign capital inflows. With the attractiveness of the American economy, this has not been a problem in the past years. But circumstances could turn around on a sudden, if international investors lose confidence in the dollar.

Global Partners

The transatlantic relationship is not confined to bilateral issues. Both, the United States and the European Union are global economic powers. About 20 percent of the world gross domestic product and 15 percent of world exports are originated in the European Union. The figures only compare with those of the United States. With the implementation of the internal market, the range of common policy issues has increased in the European Union. Many of them have a foreign dimension, such as environmental protection, energy, technology and money laundering. Accordingly, when the issues are dealt with, the European Union has to take part. Besides bilateral consultation and cooperation, many issues are being addressed in a multilateral framework. The EU has thus become a rather important counterpart for the United States in global negotiations as well.

Without the participation of the US and the EU, key international trade and financial objectives would hardly be achieved. The conclusion of the Uruguay Round was delayed for a year, for instance, because the dispute on EC agricultural policy first had to be settled between the US and the

EU. The Doha Round cannot be successfully concluded without approval of the US and the EU. Third countries or other regions are highly concerned, not to risk favorable economic relations with either the US or the EU by becoming trapped in a regional framework with only one of the two. And this concern is, probably, preventing the formation of trading blocks more than any thing else.

With the start of the European monetary union, the US Federal Reserve and the European Central Bank now are the two largest banks of issue. Central bank cooperation normally works silently and only surface in a currency crisis. This has not happened yet. But events around September 11 have demonstrated that the European Central Bank is a very reliable partner for the Fed. Faced with a common challenge, both of them immediately acted accordingly and averted a collapse of the financial markets by providing extra liquidity.

The United States and the European Union are very different partners, however. The EU is not a single player, speaking with one distinguished voice. The foreign appearance of the EU reflects the sui generis nature of European Union and the delicate distribution of supranational and national competences. Henry Kissinger's famous question "whom can I call in the EU?" has been formally settled with the position of the "High Representative of the Common Foreign and Security Policy," acting in tandem with the External Relation Commissioner.

When the Treaty on the European Constitution enters into force, the European Union will be represented by one distinguished personality in all external relations. It is certainly true that the European foreign minister will only be in the position of making commitments on the permission of the member states. But, unlike foreign and security policy, EU member states are so closely bound together in the economic field by the internal market, the single currency and the community method that they have to act in common. And this may also render it more difficult for American policy to seek for special relationships with some EU members in support of a certain issue.

The new treaty also includes some provisions which will strengthen the position of the euro group in EU framework, including the possibility of a common representation in international financial institutions. An issue which may particularly concern the United States would be the creation

of a common euro seat in the International Monetary Fund. The matter is especially favored by France and may receive some momentum by the European constitutional treaty. A common IMF representation of the euro-states would require a comprehensive restructuring of the overall IMF framework, however, including voting rights and capital shares. These are crucial issues which, of course, cannot be settled without American approval and support.

Different Approaches

American and European approaches to global issues not always converge. Political scientists have used the term “Neo-realism” for the US, in contrast to European “neo liberalism” in describing the difference. The European Union favors long-term, structural and multilateral approaches. This mode, of course, also better complies with the European Union’s own potentialities and capacities of action.

Due to their own experiences, Europeans aim at promoting stability in conflict regions by means of economic cooperation and integration. American politicians often favor more immediate approaches and results. Yet both approaches may and have favorably complemented each other, especially in Middle and Eastern Europe and in the West Balkan. For the countries which have already entered the European Union this year or are expecting to join in the near future (Bulgaria and Rumania), the European Agreements and the pre-accession strategy have been a strong anchor in their pursuit of economic and political transition. With the Stabilization and Association process, the European Union is offering a similar support to the countries of the West Balkan.

American politicians and observers have, sometimes, felt impatient with the course of the Eastern enlargement of the European Union, which they tend to consider too slow. With the first round of enlargement being implemented, the point is being made that the new member states should now introduce the euro immediately, regardless of whether they perform with the Maastricht criteria of low inflation. The case is supported by the so-called Balassa-Samuelson thesis, stating that the transition economies may need higher inflation for catching up. Yet, the new members will have to give up substantial discretion of adjustment in that case. Should it turn out that the entrance rate of the domestic currency has been misconceived, for instance, or should internal market competition cause more

problems than initially assumed, they will be more on the safe side, when currency realignment is still possible. Some of the new EU members have already joined the European exchange rate mechanism, however, and may introduce the euro in two years from now, provided they then qualify with the Maastricht criteria.

Enlargement is a tremendous challenge for the forthcoming member states and the European Union too. Accession countries have to be fully integrated in the political framework of the EU, the internal market and, finally, the economic and monetary union. The issue is more complicated and demanding than the enlargement of NATO, notwithstanding the importance of the latter. Implementing enlargement smoothly, avoiding severe economic and social disruptions in the candidate countries as well as in the system of the EU, should thus be the preeminent concern not only on the part of the EU but also for the United States.

What Europeans fear most is the unilateral mode of American trade policy. The WTO is not receiving much approval in the Congress and in the political parties. When US foreign policy turned away from multilateralism after September 11, US trade policy was much likely to follow. The Bush administration indicated preference for bilateral and regional free trade agreement, which would give the US more leeway and leverage for unilateral decisions. The tendency is still there. At the current, however, the Doha Round testifies that US policy has not totally withdrawn from multilateralism.

Emil Pain

Neo-Traditionalism: a New Choice for Russia?

This panel discussion deals with situations in the countries that are not members of the European Union. My Turkish colleague will speak of the country which for a long time is aspiring for membership in the Union while I'll speak of Russia which is neither a part of European Union nor will be eager or able to join it in the foreseeable future. At least such prospect seems to be unlikely. There are many reasons for that. One of these reasons is the increasing gap in the basic values that the Russian society is guided by and the basic values followed by the European society.

When we look at the principal humanitarian values we observe a regress in Russia. Human rights, minority rights, independent media, individual freedoms, freedom of enterprise and value of liberalism as an ideology and an intellectual current in Russia are less in keeping with standards accepted in the EU than they used to be in early 1990s.

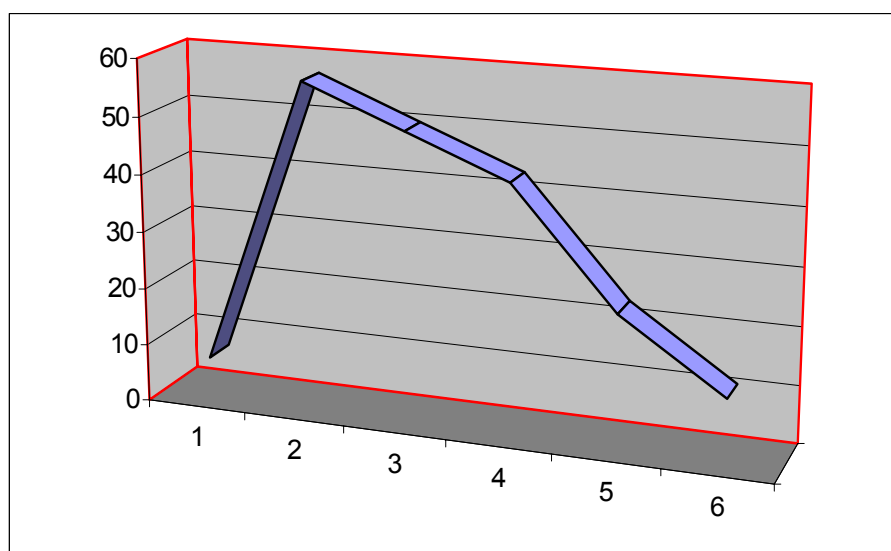
After the recent Parliamentary election parties of the liberal persuasion for the first time in the post-Soviet period found themselves not represented in the State Duma while parties of imperialistic and chauvinistic persuasion greatly increased their representation.

Many sociologists describe the present condition of the public opinion and mass consciousness by term "neo-traditionalism". Its main features are: nostalgic anguish for the Soviet past; dreaming about resumption of the bygone role of the superpower in the world; notions of the specific, unique path for Russia; anti-Western attitudes, xenophobia, increase of the Church's influence on the political life of the country.

Traditionalism is an ideology artificially designed and imposed on the mass consciousness instead of notions that were established in the first post-Soviet years.

In the early 1990s the extremely negative valuations of the Soviet system established themselves promptly. A share of respondents who agreed with the thesis that in result of the Communist revolution the country found itself on the periphery of history increased more than eightfold (from 7 to 57%) just in single year, 1991. For a few years this idea preserved its dominance but by the mid-90s the negative attitude towards the Soviet epoch nearly evaporated from the Russian public opinion. Instead, the nostalgic longing for the Soviet times has begun.

Fig. 1: Dynamics of attitudes towards the Soviet system, 1990-1996.¹



It is curious that the very intellectuals who were the first who had advanced slogans “One cannot live this way” and “It’s high time to bring Russia back to the track of civilized development” were the most quick in rejecting their own slogans. For instance, Govorukhin, the film director who in the late 1980s shot the cult anti-Soviet film “One cannot live this way”, in the late 1990s shot the film “Voroshilovski marksman” which is strongly permeated with longing for the Soviet times and hostility to reforms in new Russia.

¹ Materials of sociological monitoring of 1991-2002. Sociological service Y. Levadi (Moscow).

Opposition to the period of reforms and idealization of the Soviet epoch

In attempt to overcome traumatic valuations of the present the public opinion has turned to the past. The Soviet stereotypes began to reappear. This trend is particularly visible among the military. The red banner and the word “comrade” as the official address reappeared in the army.

Rehabilitation of Stalin has made a swift progress. Against the background of nostalgic anguish for the USSR Stalin is perceived, first and foremost, as the gatherer of the empire, as a new Peter the Great. At the same time rehabilitation of Stalin is specific primarily for the elite strata of the society. As regards the mass consciousness I have to say that not many Russians (mere 3%) would like to live under Stalin. The greatest part of respondents (39%) would prefer to live under Brezhnev, another Communist leader whose reign is perceived as the stable but not cruel.

Opposition to the West and idealization of the unique Russian path

In the period when the critical attitude towards the Soviet past predominated in the consciousness of the elite and in mass public opinion the majority of Russians looked at the West as at the standard of movement to the future. In 1989 60% of respondents appraised the Western way of life as the ideal sample. However in the mid-90s a dismantling of this standard started and by 2000 the overwhelming majority (67% of respondents) indicated that the Western model of the social arrangement did not fit, totally or partially, the Russian conditions and contradicted the traditional Russian ways.

The proportion of people who share the notion that “Russia has the path of its own” increased over the 1990s twofold and by 2000 amounted to 60-70% of respondents. Yet it should be added that there are only a few persons who have a clear idea what this “unique path” is.

Popular “anti-Western” attitudes

“Anti-Western” attitudes are totally the product of information engineering because it goes hand in hand with Russians’ preferences for major part of the Western way of life components, for the Western goods and services. It should be emphasized that, according to a Russian sociologist’s precise remark, confidence in the Western currency “is known to

exceed the Russians' confidence in any other institutions including confidence in the President of the Russian Federation". Only some representatives of the political elite demonstrate their stable and resilient anti-Western attitudes.

Opposition to ethnic minorities in Russia

In 1989 the majority of respondents (59%) believed that "there is no reason to look for enemies if the root of our troubles lies within us: we'll live better if we work better". Ten years later, in 1999 the situation changed radically: the overwhelming majority of respondents (65%) began to explain their problems by "enemies' intrigues".

National minorities have become the principal target of xenophobia. Nearly 70% of ethnic Russians believe that other nations residing in Russia present a threat to its national security. Nearly two thirds of respondents support the "Russia for Russians" slogan. The number of nationalistic organizations based on this idea increased immensely, in tens of thousand times. According to the official statistics, in 2003 there were 33 000 members in 267 organizations. However, experts give a by far greater figure of nationalistic extremists.

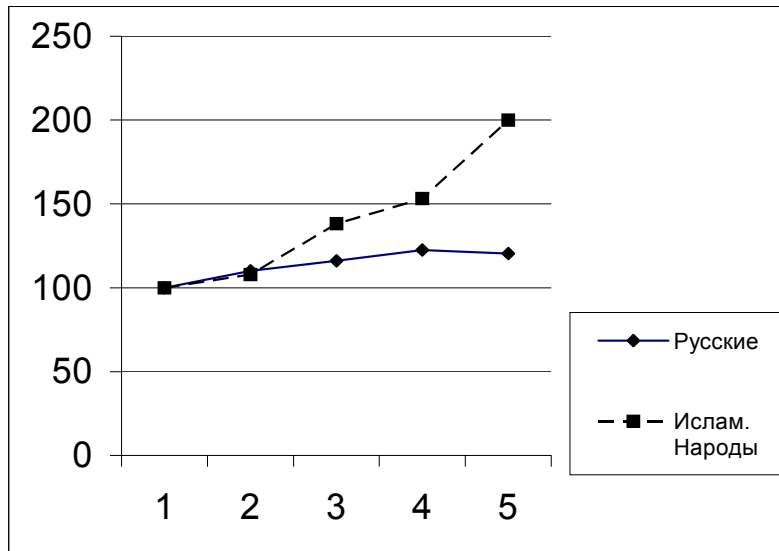
However, the popular ethnophobic attitudes are susceptible to fluctuations. Sometimes, in periods of crises they increase, then they subdue. Meanwhile expressions of these feelings among elites are characterized by their high stability. It is precisely the group where people believe that the state bodies have to see to it that "non-Russians could not occupy the key positions in the government, in mass media, in the army and law enforcement bodies".

Liberal democratic ideology in post-Soviet Russia did influence the mass consciousness until the Russians preserved a hope that the liberal reforms would bring about positive changes. As these hopes were extinguishing the influence of traditionalism progressed.

The popular disappointment with reforms, decline of production, financial crises, increased polarization of the social structure and, first of all, the enormous gap between those who occupy the upper levels of the social ladder and those who occupy its bottom levels, shrinking possibilities for upward social mobility – all these circumstances, taken together, provided for a greater than previously people's susceptibility to notions of

neo-traditionalism. The ethnic majority perceives demographic shifts painfully.

Fig. 2: Rates of increase of the Russian Federation nations' numbers in the time span between five censuses (1959-2002).



The rapid increase of numbers experienced in the last 50 years by the nations that are historically connected with Islam (the dotted line) and the steady decline of the Russian population numbers (the black line) are presented in the mass media in terms of disaster (The “demographic disaster”).

The Chechen war as the factor of xenophobia rise

The Chechen war has made the strongest impact on rise of xenophobia. Initially the war caused the rapid rise of the anti-Chechen attitudes and then a general rise of xenophobia.

Rise of neo-traditionalism is also connected to changes in the political elite of Russia. In comparison to Eltsin’s epoch share of scientists in the political elite decreased 2.5 times while the share of military increased nearly in the same proportion. It should be noted that the nostalgic longing for the Soviet times, expressions of the imperial ambitions and of xenophobia are the strongest precisely among the military.

Table 1: Change of the elite's characteristics under B. N. Eltsin and V. V. Putin.²

The characteristics of the elite	Eltsin's elite	Putin's elite
Share of people who have an academic degree (%)	52.5	20.9
Share of persons from the president's own district (%)	13.2	21.3
Share of military (%)	11.2	25.1

International factors of the rise of neo-traditionalism

It is my opinion that nowadays the Western states' attitude towards Russia is determined by the formula: stability is the principal aim and condition while one may shut one's eyes to some violations of democracy and certain curtailment of civil liberties.

Struggle against terrorism set forth as the principal task of the world community as a whole has brought about a weakening of liberal and democratic standards in many countries. It should be emphasized that these restrictions of freedoms and liberties do not at all help to increase national security.

Some analysts suppose that Russia has no other way to modernization except through a strengthening of bureaucracy's role. But increasing intervention of authorities in court proceedings (the infamous Khodorkovski affair), in elections, in activities of mass media brings the only result: trust of population in all these institutions of democracy is decreasing.

Whom does the Russian society trust in?

As of now only traditional institutions (the president in his personal capability of a ruler, the army and the church) enjoy confidence. Confidence in courts, political parties, NGOs and other institutions of civil society is extremely low.

It is my opinion that movement towards traditionalism is just a result of political pendulum moves, some short-term reaction to defects of reforms. The Russian society has an opportunity for choice. It may either

² Krishtanovskaya Olga // Pro et Contra. 2002. № 4.

progress along the main route of the global modernization (sure, with peculiarities of Russia taken into consideration) or to spend fruitless efforts for a search of its own unique way of development.

Conclusions

I agree with those of my colleagues who think that “contrary to the widely spread opinion the vector of the Russian society development is aimed at the direction opposite to traditionalism. The further modernization is blocked not by the population’s mentality, not by Russian traditions but by the Russian elite which is neither ready nor capable to govern free people”.

It is precisely the task of new elite formation in fulfillment of which such institutions as the Woodrow Wilson Center and our Association may provide assistance to Russia.

Haldun Gülalp

The Turkish Route to Democracy: Domestic Reform via Foreign Policy

I.

In the last couple of years, a fortuitous conjunction of events has unexpectedly, or one might even say paradoxically, improved Turkey's international standing. This rapid and significant improvement was both partly caused by Turkey's democratic reforms for EU accession and gave a further impetus to them. What might appear paradoxical to some is that these reforms have been taking place under the Justice and Development Party government (with its Turkish acronym, the AK Party), which is known to have Islamist roots, more specifically roots in a political party that just a few years previously was ousted from power and closed down by the secularist establishment of Turkey with the support of the military.

The relevant events in chronological order (some causally connected, some not) were the following: Internal split and transformation in the Islamist political movement in Turkey, leading to the creation of the AK Party in the summer of 2001; September 11 (2001) attacks on the U.S.; AK Party's electoral victory in November 2002, on a platform of commitment to complete the political reforms demanded by the EU; the U.S. military adventure in Iraq, beginning in February 2003; the Turkish parliament's rejection, in March 2003, of the deployment of U.S. troops on Turkish soil for the invasion of Iraq; massive reform legislation by the Turkish parliament during 2003 and 2004, including significant amendments to the constitution which was originally drafted by the military regime back in 1982 but amended here and there numerous times since then.

To sum up the significance of the sequence of these events, we may classify them into their domestic and global components:

- On one hand, quite independent of and indeed chronologically prior to September 11 and the Iraq war, the Islamist political movement generated a reformist wing that noted the similarity in the non-democratic, top-down approaches of both the secularist elites of Turkey and their Islamist opponents, and rejected both in favor of a liberal and pluralistic democracy. Hence, already before September 11, the reformist wing of Turkey's Islamists had moved from an intolerant politics of identity to a pluralist politics of recognizing diversity. The leaders of this wing still wanted to be publicly recognized as Muslims, but they were no longer Islamists.

- On the other hand, however, fears of a "clash of civilizations" between Islam and the West, pumped up by some academics and policy-makers, appeared to have been realized on September 11. U.S. actions in response only contributed to this fear and even furthered the conditions for it. Turkey, particularly under AK Party leadership, could play an important role in countering these fears and help distinguish between Muslim, Islamist, and terrorist.

My thesis in this paper is that the AK Party government has skilfully read the international conjuncture and taken advantage of the opportunities that it created both for its own political future and for Turkey's economic and political transformation. To use an expression that has now entered wide circulation, Turkey began to be valued "for *what* it is rather than for *where* it is." As a result, Turkey is now poised to begin accession talks with the EU and awaiting a positive reply in the upcoming summit in December, as well as being treated as a special "democratic partner" by the U.S. It seems that one key issue of global security on which there is complete transatlantic agreement is Turkey's strategic importance.

II.

The elections of November 2002, which brought to power the former Islamists who had refashioned themselves as "conservative democrats," came nearly two years ahead of schedule. Dispute over the passage of reform laws demanded by the EU had created a deadlock in the previous coa-

The Turkish Route to Democracy

lition government, at the time constituted by “secular” political parties. Some liberal elements in that coalition government resigned and forced the scheduling of early elections. With the support of Islamists, those liberal elements also led the passing of the reform package, despite opposition from the Nationalist Action Party (NAP), which remained in the governing coalition. The ultranationalist NAP voted against EU reforms; but they also cooperated in the rescheduling of early elections and campaigned on the argument that the EU would reject Turkey’s bid no matter what Turks were prepared to do in order to “appease” the Europeans. This was a powerful argument, and one could say that the fear is still shared by many Turks, but it did not lend sufficient support to a policy of isolationism. Although considerable segments of the secularist establishment in Turkey have an isolationist bent, the tendency is clearly in the minority among the people in general.

The isolationism comes partly from a choice made at the time of the creation of the Turkish Republic. Turkey chose to define itself as part of Western civilization and cut off its ties with its Ottoman past, including its neighbors, most of which were former Ottoman provinces. Choosing “secularism,” in particular, as the key component of Turkey’s modernization, led to a decades-long cultural crisis and political isolation. Neither the “West” nor the “Muslim world” would consider Turkey as fully one of its own. Too Muslim for the West; too secular for the Muslims: over time, this dichotomy became a source of weakness for Turkey. In the post-WWII period, NATO membership offered Turkey an entry ticket into the Western club. Still, Turkey was always a second-class member, supported and protected chiefly by the head of the club, the U.S., but never warmly treated by the rest of the membership body. Turkey was useful to the U.S. during the Cold War period because of its geographical location and the size and strength of its army. The situation did not change much after the end of the Cold War. After a brief period of uncertainty following the collapse of communism in Eastern Europe, the Gulf War of 1991 led to a fresh lining-up behind the U.S.

But Turkey’s continued usefulness to the Western alliance because of its powerful army also meant that by Western democratic standards the Turk-

ish army was unduly powerful in the nation's domestic affairs. And therein lay a dilemma for the EU, in turn leaving Turkey in a quandary: The U.S. would push the Europeans to admit Turkey into their union; the Europeans would complain about the Turkish military's domestic political role and keep Turkey waiting; but by maintaining a political distance and thereby limiting Turkey's options, Europe would end up reinforcing Turkey's status as a military outpost of the U.S.; this then would be an additional strike against Turkey. Nor was this all. An additional dilemma has been that the Europeans also found the internal strength of the Turkish army as an asset for their own interests, or against their fears. The army as the bastion of Turkish secularism represented the best protection against any threat of Islamist takeover in Turkey.

The above mentioned conjunction of events seems to have broken the vicious cycle for Turkey. AK Party's performance in power has become an eye-opener for the Europeans, and the new perception about Western strategic needs has solved the seemingly insoluble tension between the U.S. and the EU regarding Turkey. In the recent NATO summit in Istanbul, the French president admonished the U.S. president for yet again lecturing them on the virtues of admitting Turkey into the EU, but he also hastened to add that of course he supported Turkey's bid so long as Turkey had met all the stipulated conditions.

III.

AK Party's performance has been an eye-opener for the Europeans for a relatively simple reason. Previous governments in Turkey, used to using the principle of secularism as a stick with which to beat their Islamist opponents, also tried to use the same weapon to threaten the Europeans and hold them hostage. "If," they told the Europeans, "you don't admit us into your union, the Islamic fundamentalists will take over." This reasoning clearly implied that, first, there was a serious problem in Turkey and, second, being rescued by the Europeans was its only solution. Third, the same reasoning also aimed to justify the perverse attitude of those Turkish leaders who wished to impose on the Europeans that Turkey should be admitted regardless of whether or not they met the EU criteria. The position was:

“Take me as I am, or else...” No wonder, the Europeans were always reluctant. By contrast, AK Party’s unyielding commitment to the reform project while in power completely reversed all three of the points implied by the above reasoning.

First of all, the dreaded Islamists were now in power, and yet they did not seem to be all that frightening any more. The serious problem which the secularists used to invoke did not in the end turn out to be very serious at all. On the contrary, not only were the so-called “Islamists” harmless, they were also able and willing to promote democratic reforms more than the previous “secularist” governments. Indeed, AK Party’s performance demonstrated the political use to which the “fundamentalist threat” had been put, precisely in order to block any reform. This situation both revealed and partly contributed to the potential resolution of another confusion in the European approach to Turkey. While the Europeans complained about the Turkish military’s treatment of the Kurds, they actually welcomed its role as the self-appointed guardian of Turkish secularism. It was this ambivalence which the secularist establishment in Turkey always tried to manipulate, leading to the impasse in its relations with the EU.

Secondly, and conversely, this ambivalence also challenged the Europeans to confront and question the place of religion in their own identity. The challenge posed by Turkey knocking at the EU door, particularly during the AK Party period, led many in Europe to see more clearly the centrality of religion in the European self-definition. Western mainstream opinion about the essential qualities of Muslim societies and the widespread belief that Islam necessarily prescribed a fundamentalist political order actually coincided with only a marginal, radical current in the Muslim world. But if Turkey’s Muslim leaders did not constitute a threat, while they also rolled back the authority of the military, then clearly there was no basis for continued ambivalence. Therefore, there was nothing to rescue Turkey from, no need for European assistance in that regard.

Thirdly, the AK Party government demonstrated the hollowness of the “take me as I am” argument of the previous governments. Turkey now was not only able to demonstrate its willingness and ability to undertake the

needed reforms, but it seemed as if only the AK Party, with its openly Muslim identity, was able to achieve this. This put Turkey into a situation where it could actually reverse roles with the EU. While previous governments called on EU assistance for rescue from the “fundamentalist threat,” now the AK Party-led Turkey could offer its own assistance to the EU for the same. Now it seemed like the EU needed Turkey more than the other way around.

In other words, at one level, Turkey’s ambiguous cultural identity, described above as having been a source of weakness for many decades, had now turned into a strength. In today’s multicultural world, Turkey began to stand out as a genuinely multifaceted and complex unity of multiple identities. But there was also another, a more concrete level at which Turkey began to be seen as an asset in a world dominated by the notion of a “clash of civilizations” – a notion that expressed colonial fears and fantasies more than it corresponded to a meaningful, analytical understanding of world affairs.

Back in May 2003, soon after the beginning of the Iraq war, at a time when the U.S. officials publicly expressed their frustration with Turkey’s failure to assist the invasion and public opinion leaders in Turkey expressed their fear that Turkey was now left with no friends in the world, I made the following prediction in an op-ed article: I suggested that “Turkey’s apparent fall from U.S. favor may be a blessing in disguise. The momentous events of recent months may collectively help to resolve Turkey’s conflict between its ‘strategic alliance’ with the U.S. and its drive to join the EU.” I concluded the piece by pointing out that “After the U.S. military action in Iraq, the tables may be turning in surprising ways. As the U.S. establishes itself in Iraq, Turkey’s geopolitical military significance may decline. Yet the declared American aim of building a ‘Muslim democracy’ in Iraq will only enhance Turkey’s symbolic importance as a ‘role model.’ This shift in Turkey’s strategic role may also be reflected in a new domestic balance between the military and the forces pushing for reform. With careful management, Turkey may find itself drawing closer to Europe, while rebuilding the relationship with the U.S.” (Haldun Gülalp, “A Democratic Windfall for Turkey?” www.project-syndicate.org, May 2003). The AK Party gov-

ernment has indeed skilfully responded to the international conjuncture and boldly moved forward with domestic reform driven by foreign policy, which in turn has enhanced Turkey's international standing and contributed to further achievements both domestically and abroad.

Before identifying some of the important incidents that illustrate this observation, it must be noted that perhaps only the AK Party had the characteristics required to facilitate these achievements. In other words, if Turkey's present strength comes from its ability to demonstrate that "Muslim" and "democratic" are not contradictory terms, then the AK Party has so far been the only political organization that can claim to be the genuine article. Others have either been not Muslim enough or not democratic enough, or both. In other words, those parties that prided themselves on their secularist credentials could not convincingly claim to represent the sentiments of a predominantly Muslim society. Also, precisely because of their elitism and statism, they were less than convincingly democratic. Conversely, the Islamist parties of recent years, out of which the AK Party grew, could perhaps claim with some justification that they gave voice to Muslim sentiments, but they always had a rather limited power base and they were nowhere high on the democratic scale either. Ironically, they also shared the statist political culture of the secularist establishment.

AK Party's "conservative democracy" aims to transcend Turkey's elitist and statist secularism not by inverting it as if in a mirror image, as was the case with the political Islamist project of imposing a new cultural regime from above, but by instituting a liberal pluralism. Rejecting models imposed from above, it aims to accommodate the cultural identity of the Turkish people in a new concept of liberal democracy. This makes Turkey a model of democracy for the Muslim world in a way that it has not been before. AK Party further expresses the claim that Islam does not prescribe a particular political model, and therefore does not need to be shed in order to achieve democracy. The leaders of the party have convincingly stated numerous times that they are out to disprove Huntington's theory of the "clash of civilizations."

IV.

Their moral authority in this regard is illustrated by a number of incidents, the most striking of which is perhaps the aftermath of the recent al-Qaeda bombings in Istanbul. A sudden series of suicide attacks ripped through the city in the last days of the holy fasting month of Ramadan, in November 2003, directed at Jewish and British targets, presumably sending simultaneous messages protesting the Israeli occupation of Palestine, the U.S.-UK occupation of Iraq, and the Turkish government's seeming acquiescence in all this. Despite the initial reaction of fear coming out of Western capitals, expressed in the issuance of travel warnings to Istanbul and the consequent cancellation of numerous meetings and sports matches that were scheduled to take place in the following weeks, the AK Party government was unperturbed and went on its business of identifying and arresting the perpetrators with remarkable efficiency. By then the AK Party had spent a year in power and had already been able to marginalize radical elements among both the Islamists and secularists. In an op-ed article I wrote right after the incident, I suggested that "The current Turkish government is the best placed to win the war against al-Qaeda. While a secularist coalition, mixing apples and oranges, may have declared war against a broad front of Islamic tendencies, the AK Party government, with its moral authority among the Muslim majority in Turkey, will be able to isolate the violent fringe and drive it into oblivion." (Haldun Gülalp, "Turkey's 9/11" www.project-syndicate.org, December 2003). One of the best indicators of their success in this regard could be seen in the funerals of the suicide bombers themselves. According to television and newspaper reports, showing scenes from these gloomy ceremonies, there were only one or two people in attendance – usually a son or a brother, and no one else even from among close relatives who were staying away in shame and fear of association. The significance of this becomes apparent when compared with the massive demonstrations that suicide bombers' funerals turn into, say, in Gaza.

Other remarkable achievements of the AK Party government came in the early part of 2004 on two major issues that have been long-standing thorns in Turkey's side and both of which have been presented as obstacles to

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Turkey's potential EU membership: unification of Cyprus and the question of Kurdish rights. In both instances, progress was made on two fronts simultaneously: while foreign policy was used as a leverage to weaken Turkey's conservative establishment, the peaceful methods used in dealing with these issues resulted in weakening Turkey's foreign adversaries. The outcomes contributed both to the development of Turkish democracy and to further gains in Turkey's international affairs.

Only a year before, in February 2003, with just a few months in power, the AK Party government had been publicly reprimanded by the head of the Turkish military and told that Cyprus was a sensitive national security matter and should never be tampered with. Using both the leverage provided by EU pressure on Turkey and the dominant sentiments among Turkish Cypriots in favor of unification, the AK Party government was able to turn the tables around completely and even make the Greek side look bad. As soon as the December 2003 parliamentary elections in the Turkish sector of Cyprus produced results in favor of the pro-peace parties, and despite opposition from conservative forces within the country, the AK Party government declared Turkey's intention to restart negotiations on the basis of the Annan Plan that had previously been shelved. Within just a few months the talks were completed and a referendum took place; and while the Cypriot Turks voted in favor of the unification of the island, the Greeks voted against. Thus the Turkish side, on both the mainland and the island, had presented itself as the peaceful side and shaken off the stigma attached to it by the Greek side. With one masterful stroke, the AK Party government had removed from the scene the anti-peace establishment in Turkish Cyprus, neutralized the anti-peace forces within Turkey, gained the upper hand on the Cyprus issue against the Greeks, won the sympathy and support of the UN, the U.S., and the EU, and accomplished all this while consistently upholding the principles of democratic process and peaceful diplomacy.

In early June of 2004, a Turkish court released from prison the four pro-Kurdish members of the Turkish parliament after ten years behind bars. This event coincided with the first scheduled broadcast of a Kurdish-language program on TRT (the state-run television channel), which sym-

bolized the official recognition of that language by the Turkish government. The coincidence of these events, both outcomes of Turkey's drive to meet the EU reform criteria, pushed the PKK into a corner, which then made the fatal mistake of ending its cease-fire with Turkey, originally declared by Ocalan when he was captured and put in prison in 1999. Again, the peaceful and democratic openings provided by AK Party's policy had turned the tables. This time around, European leaders lined up to put pressure on the released Kurdish politicians to exercise their moral authority on the PKK fighters, while those politicians themselves began to profess distance from PKK leadership. AK Party's policies also effectively neutralized the conservative opposition within the country. Two months after the release of the Kurdish politicians, newspaper reports revealed that the Nationalist Action Party leadership had sent a letter to over three-hundred generals, complaining about AK Party's policies regarding the Kurdish issue and inviting the generals to action. The same reports also added that the letters were collectively returned to the sender.

While the AK Party is trying to impress upon the West the notion that Islam is compatible with democracy, it is also impressing upon the Muslim world that democracy is compatible with Islam. Again, only the AK Party, with the credible Muslim credentials of its leadership, could do this convincingly. Among numerous examples, one could cite a recent incident that was considered to be a major accomplishment by the Turkish government itself. In the June 2004 meeting of the Islamic Conference Organization, which took place in Istanbul, Turkey put forward a Turkish academic as a candidate for the position of the General Secretary of the Organization. After several rounds of fruitless negotiations among the delegates of member countries, the Turkish foreign minister insisted that the competing candidates be put to a vote. The Turkish candidate won and this was celebrated as a double victory by Turkey: for the first time in the Organization's history the General Secretary was elected through a democratic process of open competition and voting.

V.

Turkey's growth in international stature is not limited to the West, as asserted by some domestic opponents who describe the AK Party as a lackey of Western imperialists, doing their dirty work. Turkey has incredibly improved its relations with almost all of its neighbors, possibly for the first time in republican history. Particularly in the Arab world Turkey is now seen as a good friend, whose improved standing in the West is welcomed rather than resented. Only five years ago, in 1999, Turkey was on the verge of a military confrontation with Syria, because the Syrian government was harboring Ocalan. Today the two neighbors are on very good terms, with Syria expressing support for Turkey's EU membership because it would also benefit them. If Turkey proves the "clash of civilizations" to be the myth that it is, then surely it would benefit those that are likely to receive the Western wrath originating from this myth. If, on the other hand, Turkey is to be credible as a "role model," then its improved relations with the Arab neighbors ought not to be resented by Turkey's non-Muslim and non-Arab friends, including Israel. Turkey's growth in stature in the region and in the world has therefore also led to a significant measure of independence in its approach to Israel. The AK Party government has been the first Turkish government in recent memory to feel free in criticizing Israel's policies. This has brought the Turkish government closer to the EU position on the matter, further increased its prestige in the Arab world where most governments are more reluctant to speak up about Israel, and, not least importantly, it has also more closely expressed the dominant sentiments within Turkey itself.

The upcoming EU summit in December 2004 will be a make-or-break point for Turkey's future. Fully aware of this situation, and having staked its own political future on starting membership negotiations with the EU, the AK Party leadership is sending messages of concern to the Europeans. Because "we do not have a Plan B, other than EU accession" they point out, the alternatives are unthinkable. This time, unlike before, it is not an empty threat to gain undeserved advantage: instability in Turkey would throw a broader part of the world into chaos.

Michael Werz

Back to the Future? Remarks on the Next Generation of Transatlantic Relations^{*}

Much of the debate on transatlantic relations in crisis is expressed in categories of differing values or the diverging cultures on opposite sides of the Atlantic. Many of these attempts however, are burdened by the impossible task grasping very dynamic and complex developments by applying quite static concepts. Rather, the current transformation in Germany should be more strongly theorized. Culturalizing categories, as well as much of the data produced by the numerous polls dealing with the issue, must not only be contextualized but also carefully interpreted.

In a recent poll by the *Pew Global Attitudes Project* for example, it was said that less than 15% of Germans thinks that life in the U.S. would be better than at home (16% said that live in the U.S. was worse, 58% said neither). At first it seems sensible to take this result as yet another indicator of increasing distance between the two societies. Although there might be a fair (or unfair) amount of resentment on the German side, there is another interpretation that makes sense, especially with regard to the younger generation: Given the high degree of common experiences in German and American society, one could also argue that the low figure proves how thoroughly and successfully German society has been Westernized during the past forty years. This might be true, even though recent signs emanating from German society and the government's foreign policy seem to be quite confusing. After the attacks of September 11, 2001, it took only a very short time to replace the equally massive and well meaning demonstrations at the Brandenburg Gate and chancellor Schroe-

* Michael Werz is Transatlantic Fellow at the German Marshall Fund in Washington, D.C. Views are those of the author.

der's declaration of "unconditional solidarity" with an atmosphere of widespread ambivalence towards U.S. policies and America in general. However, one will not succeed in explaining these contradictory developments in terms of an alleged clash of political cultures in the transatlantic realm.

The contradictions reach much deeper into the fabric of contemporary German society, in which the icon of "America" is a convenient distorting mirror of domestic developments. However, this constellation represents a moment of truth as well, namely that the era of intuitive political parallelism of the Atlantic realm is over, and the mathematical method of quantifying nuclear warheads and calculating the width of the Fulda gap are far from sufficient to reconstruct a stable union of Western societies in the 21st century.

From a U.S. or Eastern European perspective it may be obvious, that things thoroughly changed after 1990; and one would think, this should be clear in Germany. But one can still get the impression that in German society, which was the very focus of the block confrontation for over forty years, this insight has somehow not settled. There is surprising welfare state nostalgia when it comes to policies of robust intervention. Institutional solutions are much preferred to policies based upon a notion of democratic self-determination or even national interests when it comes to international conflicts. Finally although fading, there is still a strong attitude of the same "resolute neutrality" that Hannah Arendt observed during her first visit to the country in 1950, when she had the impression, that people thought that "partisanship in a conflict would be as absurd as partisanship during an earthquake."¹

For these reasons, changing attitudes and widespread insecurity about Germany's role in world politics of the early 21st century have to be understood with regard to the fact that many convictions, thought to be rock solid for over two generations have been shattered. The recent insight that the world has dramatically changed is part and parcel of the complex re-orientations within German (and other European) societies. Therefore, foreign policy issues are often played out and thematized within the contested field of national traditions, and further complicated within the context of European integration and the unification of the two German states.

1 Hannah Arendt, "Besuch in Deutschland 1950", Zur Zeit, Munich 1989, 45.

The impact of such a multilayered process can hardly be underestimated, and the reorientation of Germany's foreign policy after the terrorist attacks in the United States has to be understood within this unique historical setup. In other words, 9/11 cannot be adequately grasped without 11/9: November 9, 1989, when the Berlin wall collapsed and two very different societies were united. Yet, 1989 was not appreciated as a victory of freedom over an corrupted ideal of literal equality in the form of West-German expansion. But the term *re-unification*, suggesting that something that belonged together finally had become one, already revoked the past as the main resource of what historian Dan Diner has fittingly described as an "act of creation *ex negativo*" ("negativer Gründungsakt").² It is in this environment that the contradictory reactions, soon to be felt within the foreign policy establishment, the government, and society at large after 9/11 are interconnected with the conflicting views of what the new Germany has become.

The fact that the unification of two very different societies has been audaciously and blindly termed re-unification is partly responsible for the illusion that after West-Germany's enlargement everything continued to be the same as before – only on a larger scale. Combined with a steady rhetoric of continuity, also embodied in the persona of the ever growing chancellor Helmut Kohl and his long lasting reign, an artificial prolongation of the old Bundesrepublik's traditions took place. Its success story was closely related to the fact that West-Germans had their own state but never understood it as a nation.

Since the early 1970's very few national symbols were visible in the public sphere, foreign policy was not based upon a notion of national interests, but mainly determined economically or socially, and the security of the Bundesrepublik was provided by the Army and US taxpayers. Therefore, many of the difficult questions just did not appear on the radar screen during the idyllic years of economic prosperity and nuclear equilibrium of the superpowers. Not many people will realize that the Cold War was a rather tranquil and comfortable time for Germany, and that it found itself in the center of world politics without needing to seriously participate. This atmosphere of prosperous stagnation facilitated democratic self-stabilization of post-Nazi society with a little help from some

2 Dan Diner, "Vorwort", *Aspekte der Alltagsreligion*, Frankfurt/Main 2000, 11.

friends like James Dean, Elvis Presley, and the 1968 student's movement, as well as producing a mentality of being above (or besides) dirty world politics which carried on the tradition of "resolute neutrality" even after the active protagonists of WWII were beginning to die out.

Yet another postwar tradition was revived under very different circumstances when the attacks of September 11 irrevocably ended the illusion that a Bundesrepublikan mentality, utterly uninterested in becoming a modern and democratic German nation, could go on much longer. One has to take into account that denial of reality and past have been important features of German society ever since 1945, and it is no surprise that in the land of the *Wirtschaftswunder*, the economic miracle, the "primary moral category of the immediate postwar period was one that can exist independent of memory-work."³ Here lies the history of widespread moralizing attitudes in Germany which often are applied to explain political realities in pre-political, bipolar, and often pacifist ways. Chancellor Schroeder's pretension of defending morality against power politics in his confrontation with the U.S. administration is a last remnant of these traditions, as is the pride in backwardness expressed on T-Shirts worn by young Germans at anti-war demonstrations that read: "We are the old Europe".

This dangerous pleasure of collective inward orientation causes major phantom pain, which one could feel this past August when a summer long, bizarre debate of whether to reverse the recent reform of German orthography was ousted by major unrest in eastern Germany. Here, significant parts of the population are unwilling to accept necessary social and welfare reductions and often resort to voting for radical parties at the fringes of the political spectrum. When asked if they identified with the democratic regime in Germany, less than half the Easterners said they did. Fifteen years since the wall came down, and with 1,560 billion USD transferred from West to East since unification, many of the 17 million East Germans have not yet arrived in the West.

This tremendous internal divide further contributes to an atmosphere of ambivalence in which people on all sides of the political spectrum are idealizing the stability of the 1970's, when Germany was divided. It was

3 Moïshe Postone, "The Holocaust and the Trajectory of the Twentieth Century", *Catastrophe and Meaning*, Chicago 2003, 99.

a time when the world was still in order and clearly arranged, and when powerful political leaders could meet as Mikhail Gorbachev and Ronald Reagan did, make peace, and make the world a better place.

This untimely nostalgia, resulting in bewildering unrest, is itself the expression of a new consciousness, albeit expressed in categories of the past. In this regard, Germany is not an exception, yet it allows for complex insights into a major transformation that is currently occurring in Europe at large. The fact that basic foreign policy issues are suddenly caught in the process of reassessing European and German political traditions proves that “America” is still the global standard for national self-definition. This is even true for some of the most old-fashioned politicians such as long time social-democratic mentor Erhard Eppler who recently called the “No” to the Iraq-invasion a “European declaration of independence”.

As a result, the current ambivalence towards the United States should not be misunderstood as a simple prolongation or revival of the old fashioned anti-Americanism of the 1920's. After all, German society was an integral part of the Atlantic revolution in its postwar years, and it underwent a thorough American style modernization process, which included the creation of a new, educated middle class which does not want to be seen as anti-modern or reactionary. It is an illusion that the old elites, especially the conservatives and their pro-NATO slogan of the “devotedness to the alliance”, represented real Atlantic cohesion. Rather, it is an irony of history that the crisis came into being under the most pro-American government in postwar Germany. After all, the red-green coalition and chancellor Schroeder risked a narrow vote of confidence in parliament to be able to send substantial numbers of troops to Afghanistan, before things began to fall apart.

When the ideologically charged political categories of East and West lost their political use value with the collapse of Eastern regimes, there was an instinctual rush towards reliable institutional forms. Since the Bundesrepublik was mainly a society for itself, it related to the world within the fixed organizational framework of EEC, OECD, WTO, and later NATO and the EU. These institutions were not external to West-German society but it could only develop and become a modern nation within such complex frameworks. Only in the mid-1980's did the German question be-

come visible again, although not in the political realm. It was the infamous Historikerstreit, a major confrontation of historians, public intellectuals and journalists about how to relate to the national socialist past which first expressed this occurrence; a few years later the debate was renewed when Daniel Goldhagen's book on *Hitler's Willing Executioners* sold a million copies in Germany.⁴

Now that the debate has reached and impacted the policy making community, the question of how to define the national interest, poses a number of problems.⁵ On top of the present complications, many European countries are still struggling with a tradition of a pre-democratic understanding of national interest, which is defined as a given, emanating from territoriality and shaped to a large extent by absolutism and the imperial rivalries of the late 18th century. National interests were basically oriented towards securing a viable equilibrium of power and influence. This logic of a zero-sum-game remained largely intact even after the French Revolution when the European nations began to conduct their respective foreign policies.

In the United States the history was, of course, very different, since national interests were formed and codified by a democratic debate and established through majority decisions in Congress that could be changed and reversed depending upon the political situation. In Europe (and Germany) both notions of national interest are currently competing. In the post-absolutist age ethnic identifications have often replaced the logic of national interests born out of territoriality and preserved through pre-democratic practices – which is where the main antagonism vis-à-vis the United States is located, since in times of crisis in Europe the ghosts of ethnic identifications are easily evoked.⁶

The paradoxical situation is that the United States and Germany are closer together now than ever before, but because of the presence of so many untimely attitudes in Germany, this closeness has been almost entirely obscured. These attitudes also neutralized many of the present discussions

4 See Detlev Claussen, "Viel Lärm um Goldhagen. Bilanz einer desaströsen Debatte", *Frankfurter Jüdische Nachrichten*, No. 92, September 1996, 3-4.

5 For the following argument see Joscha Schmierer, "Suche nach Wegen im Dickicht", *Internationale Politik und Gesellschaft*, Berlin, Vol. 1/2004.

6 See also Michael Werz, "Instituting Europe: Germany, the Union, and the Legacy of the Short Century", *German Politics and Society*, No. 2, New York 2000, 1-21.

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about how to “fix” transatlantic relations, but with developments within Germany overshadowing the foreign policy debates, transatlantic relations cannot be fixed, since they have not been ‘broken’, but catapulted into the new century with many of their ageing actors overwhelmed. Every piece of recent foreign policy discussion was conceived within that burdened context and implicitly dealt with the frictions of society. Often times the problem is not at all about Iraq, the United States, the Security Council, or the new world order, but with the question of defining national interests in a reluctant nation, and what it means to speak in the first person plural and say “we Germans” at the beginning of a new era. All of which makes it so difficult to overcome German welfare nostalgia and the tradition of resolute neutrality in the reality of international politics.

The only practical solution is the democratic establishment of what the national interests of the new Germany are meant to encompass, how they can be formulated in a democratic process, as well as be kept open for change by majority decisions. Such an achievement will only be possible if foreign policy debates are freed from the domestic layers that distort them, only then may reasonable responses to major political challenges be expected. However, one has to admit that the external factors in recent months did not favor such progress. Clearly the German government acted in a regrettable way, entirely lacking compensatory prudence for its political and military inferiority when it had to make a decision on how to deal with the U.S. invasion. However, external factors conveniently combined to maintain the inward orientation, since the war in Iraq lacks the absolute necessity that qualifies the fight against terrorism.

Nevertheless, the current situation provides certain opportunities. With U.S. and German interests for the first time openly at odds, there is mounting pressure within the latter society to come up with better arguments and long term strategies for its own foreign policy priorities. Two institutions can be used to achieve this goal: the European Union with its slowly increasing military capability, and a more politicized NATO. It is too simple to argue that everything boils down to military strength, but the political dimension of spending money and energies for democratically controlled armies which are not merely defensive organizations, but global players in an unorderly world, has steadily grown since 1989.

Julianne Smith, of the *Center for Strategic and International Studies* in Washington recently argued the same point in an op-ed when she wrote that “Europe risks military irrelevance in the coming decade” if political leaders and society at large do not realize to what an extent the world has changed since the end of the static defense requirements of the Cold War period and how complex Europe’s responsibilities in this field have become. “NATO is therefore at a watershed”, Smith continues, “either it finds ways to develop an integrated force or it faces military unimportance in the 21st century.”⁷ Exactly these dimensions, which one may like or not, constitute the very core of the transatlantic alliance’s future. In Germany, such difficult decisions cannot be postponed much longer, nor can the answer to the question of the legal and institutional bases of future military and non-military interventions.

The necessary reconstruction of the West reaches beyond shallow questions of current Foreign Policy, but it is a crucial enterprise of the near future. It will not be about suggested cultural differences but about whether a new transatlantic generation is willing to face the challenge. The time of automatic first downs is over. The reconstruction of the West, not in territorial terms but as a political entity, will require an unprecedented conscious effort, real dedication, and a consideration to what the German, and other European societies will be standing for in the next thirty or forty years. After having dominated the world during the last half millennium, mostly for the worse, envisioning the European Union and the Atlantic alliance as an old style, overweight balancing system is just not ambitious enough.

7 Julianne Smith, “End of a Cold War Legacy“, *The Washington Times*, Op-Ed Pages, August 20, 2004.

Pierre Hassner

Beyond Iraq: the Transatlantic Crisis in Perspective¹

Are we right to speak of a transatlantic crisis? This paper, like this conference, answers this question positively. But we should be aware that this answer is not self-evident. For some, the increasing integration of Western economies and the common fight against terrorism are more important than the political differences which surfaced so explosively at the beginning of 2003 around the American decision to occupy Iraq. NATO itself, in this view, has once more weathered the storm, as shown by its enlargement and by its presence in Afghanistan. For others, the very notion of a transatlantic crisis is, on the contrary, much too optimistic. The transatlantic relation, for them, has lost both its centrality and its specific character with the end of the cold war. Different Western countries have both convergent and divergent values and interests with each other as well as with the rest of the world. In particular between the United States and Europe the trend is for divergences of views, priorities, and policies to be more and more acute. According to some, they may lead to two antagonistic blocks.

This paper argues that the West is indeed broken, to use David Calleo's² expression, but not beyond fixing, that the central importance of America and Europe for each other has not disappeared and may well re-emerge spectacularly in front of new challenges, but that it is unlikely to lead to the harmonious cooperation of two coherent entities, under a twin pillars structure, as envisaged in Kennedy's grand design. Rather, a recovered

- 1 This paper is making ample use of ideas and formulations borrowed from two earlier presentations. "The West: how many divisions" at the University of Bologna, to appear in conference proceedings edited by Prof. T. Bonazzi and "European Perceptions of the United States," Aspen Institute, Congressional Program, US-Russia-Europe, Cooperative Efforts, Venice, August 21-27; 2004.
- 2 David Calleo, "The Broken West," *Survival*, Summer 2004.

unity of the West can only be based on an awareness of intra-American and intra-European and transnational or transcontinental divisions and of common external or universal challenges. The French writer Antoine de Saint-Exupery used to say: “To love each other does not mean looking at each other but looking together in the same direction.”

Indeed, one useful framework for interpreting and, possibly, mitigating or overcoming the transatlantic crisis, consists at seeing it as part of a set of a least six simultaneous and interdependent crises.

1. The crisis of Atlantic institutions, in particular of NATO.
2. The crisis of the transatlantic relationship itself.
3. The international crisis of the United States.
4. The internal crisis of European unity.
5. The crisis of relations between “the West and the rest.”
6. The crisis of relations between modernity (i.e. globalization, rationalization, mobility, etc) and traditional, religious, national and ethnic identities and solidarities.

We shall not attempt to analyze each of them, but they will inspire the progression of our discussions from the transatlantic crisis proper through the internal divisions of the United States and of Europe, to the transnational and global divisions and challenges.

1. The Atlantic crisis: political division between the United States and Europe

There have been many crises within the Atlantic alliance: over the Middle East (at the time of Suez (1956) and of the oil embargo (1973), over European defense, at the time of the failed attempt to build a European Defense Community(1954), over de Gaulle’s abandonment of NATO (1966) over Germany’s Ostpolitik, the basing of Pershing and Cruise missiles, the new Cold War and Reagan’s “Star Wars” project in the 1980s etc.

None of those, however, reached the intensity and the gravity of the 2003 crisis. This was the culmination of a crescendo of events going from the election of George Bush, through the reactions to the terrorist act of September 11, 2001, to the quarrel over the Security Council resolutions

about Saddam Hussein's weapons of mass destruction and finally the launching of the war on Iraq.

Robert Kagan has written that Americans and Europeans live in two different worlds, the world of Hobbes and the world of Kant, that "Americans are from Mars and Europeans from Venus."³ His essay had great resonance in Europe. Dominique de Villepin echoed it, perhaps unconsciously, by entitling the collection of his speeches: "Another World,"⁴ meaning a world ruled by law instead of arbitrary force. Both were wrong in general: force is not alien to Europeans and the rule of law, nationally and internationally, is an American idea even more than a European one. But both had a moment of truth at least in the perceptions of Europeans and Americans, at the time of the launching and the initial phase of the war against Iraq.

In 2002, a comparative opinion poll taken by the German Marshall Fund and the Chicago Council on Foreign Relations showed that the views of Americans and Europeans were fairly close as far as international relations were concerned: both sides saw international terrorism as a most dangerous enemy, both (with bigger majorities in the United States) thought that the use of force might be legitimate but both (with a bigger majority in Europe) thought it needed a multilateral sanction, of the UN or at least of the Western Alliance, to be legitimate. A year later, in 2003, the same poll indicated that both sides overwhelmingly (83% in the U.S., 79% in Europe) thought that they had different values.⁵

What had happened in between was the launching of the war, preceded by two years of declared and active American contempt for multilateral institutions provoked, as seen from the American side, by the repeated failure of these multilateral institutions themselves.

While Americans and Europeans were united in the struggle against terrorism and in the war against Al Qaeda and the Taliban in Afghanistan, only the American public believed by a large majority in the arguments for the war in Iraq: weapons of mass destruction, links between Bin Laden and Saddam Hussein and involvement of the latter in 9/11, regime

3 Robert Kagan, *Paradise and Power*, Atlantic Books, 2003.

4 Dominique de Villepin, *Un autre monde*, L'Herne, 2003.

5 German Marshall Fund, *Strengthening Transatlantic Cooperation, Transatlantic Trends 2003*.

- change leading to the democratization of the Middle East and to increased chances of settling Arab-Israeli conflict. The European public, even in countries whose governments joined the war out of loyalty to the United States and in the hope of influencing it, was not only less eager for retaliation and less willing to take risks but more sceptical of official announcements and intelligence reports and above all more mindful of Muslim reactions and of the ultimate political failure of past military victories from Algeria to Vietnam.

At the outset of the war, there were solid American and European majorities in the two opposite directions – for and against.⁶ This led to the blurring not only of intra-European differences but also of European perceptions of American differences. From the triumphant unilateralism of the Bush administration to the fate of prisoners in Guantanamo or Abu Ghraib, a negative image of America was gathering more and more force (e.g. favorable opinions dropped in one year from 63% to 31% in France, from 70% to 34% in Italy, from 79% to 50% in Poland) just as the vision of Europe as ungrateful and cowardly was spreading in the United States.

Some thinkers like Jürgen Habermas and Jacques Derrida, basing themselves on the huge pacifist demonstrations which covered all Europe in the spring of 2003 and some political scientists, like Dominique Reynié⁷ have announced the birth of a European consciousness and public opinion.

This stark opposition has begun to recede, however, with the turn taken by events in Iraq. The changes in American policies went in the direction of European warnings about occupation and wishes for an early transfer of sovereignty to the Iraqis. American public opinion started turning against the war: at this writing, a majority of Americans thinks that the war was not worth the casualties it caused, and that it increased the terrorist danger rather than reducing it. There is, then, as before the war, only a difference of degree between American and European opinion. At the

6 In the U.S. 59% against 30% supported the war. In Italy 81% against 17% opposed it. In France 75 % against 20 %. In Germany 69% against 27, in Poland (in spite of America's general popularity and of the country's participation in the war coalition) 73% opposed it against 21% who supported it. *The Pew Research Center*, March 18, 2003.

7 Dominique Reynié, *La Fracture Occidentale: naissance d'une opinion publique européenne*, Paris, La Table Ronde, 2004.

very least, while European opinion remains united in its opposition, American opinion is now deeply divided. On the other hand, the congressional investigations and the Supreme Court's decisions about the rights of "enemy combatants" to challenge their situation in court, is doing much to reestablish European confidence in the United States as a country where "checks and balances" and "due process of law" have not lost their relevance.

Can one, then, speak of a passing divergence of views and of a return to mutual understanding and cooperation? This would be much too optimistic. To begin with, concerning the Iraq war itself, further developments (whether in the direction of a precipitate American withdrawal or of a spreading of hostilities to other countries, above all to Iran, may reopen recent wounds. At any rate, while the German government is working towards a reconciliation with the United States, and its successor is likely to do so even more, the precipitous and unprecedented decline in positive feelings towards the United States in German public opinion (from 60% favorable to 25%), and the concomitant rise in the priority of the European connexion over the Atlantic one (81% against 9%),⁸ represent a real sea-change, and are not likely to disappear soon.

However, Americans have no reason to fear a Europe directed against them as the rhetoric of some fractions, particularly in France, would seem to suggest. While anti-American feelings progress, they translate more in a vague pacifism or a vague aspiration to Europe being its own master than in any coherent policy. The impulsion for a "superpower Europe" could only come from active cooperation between France, Germany and Britain, but France, while popular throughout the world for standing up to the United States on Iraq, is increasingly isolated diplomatically in Europe, as illustrated by the composition of the new European Commission. Britain, while likely to be less unconditionally pro-American than Tony Blair, is not likely to become wholeheartedly in favour of a powerful Europe, let alone one hostile to the United States and Germany for both economic, psychological and ideological reasons, is not about to make the sacrifices and run the risks involved in trying to create a European superpower. But partly for the same reasons, the United States, even if it returns to a more multilateral and pro-European stance, has no great

8 Transatlantic Trends 2003, summary, p. 7

reason to hope for an active and dynamic European help in maintaining stability, let alone democracy in Iraq or even in Afghanistan, where the performance of the European members of NATO has so far been even more unsatisfactory than the American one. If John Kerry wins the American presidential election, he may be depriving the Europeans of an alibi: that of Bush's uncooperative stance. Europeans seem not to have the energy either to really oppose or to really support the United States. One is almost tempted to think that Robert Kagan was more than half-wrong about Americans but more than half-right about Europeans.

In 2002, the Bulgarian scholar Ivan Krastev had formulated the difference between Americans and Europeans in the following terms: "The Americans feel they are in a war, the Europeans feel they want to prevent one." I had answered that this was true but that one had to distinguish between different kinds of wars : we are all at war with Al Quaida and Islamic fundamentalism since they are at war with us; but we have to do our best to prevent this war from turning into a clash of civilizations, or a war of the West against the rest, and in particular against Islam. Today, this distinction still seems valid but I must confess that on the one hand Kagan was closer to truth than I thought, at least concerning the unwillingness of some Europeans to contemplate war under any circumstance at all, and on the other hand the clash of civilizations, which remains a wrong and dangerous idea, has made enormous progress, in great part because of the Iraq war and American policies which have gravely spread and aggravated anti-Western feelings in the whole Muslim world.

It is, then, the Europeans, turn to fear that particularly in the Middle East where both sides of the Atlantic have the same interests and, at least in principle, the same policies, America's lack of engagement or tacit engagement in the wrong direction will have catastrophic consequences for all.

Other differences, while still ambiguous, are more structural or based on objective differences of interest or inevitable differences of priorities. Everybody can see that the disappearance of the Soviet Union greatly diminished the mutual security need between America and Europe, and that the rise of Asia diminishes the comparative importance of the latter for the former or that the European demographic decline and the growth of Maghreb's population and immigration to Europe create specific prob-

lems which are bound to affect its foreign policies more than those of the United States.

The differences in power, while obvious, are more debatable. America's economic growth, while spectacular, may be fragile. Western Europe's comparative stagnation may hide its real strength.

Militarily and technologically, America's huge and growing superiority may prove to be a double-edged sword by creating the temptation to use military power against states when other methods and other targets should be given priority. An imperial policy based on military force, even if justified, may require a return to conscription and higher taxes, with unwanted social and political consequences.

But all this being said, America's ability to project and use force will remain greatly superior to Europe's for the foreseeable future and this will create practical problems of perception and cooperation even if each side abandons the illusion of going it alone. The most controversial dimension is that of differences in values and social trends. For Kagan, values and attitudes separate Europeans from Americans while their interests, well understood, would be to accept the benevolent hegemony of the United States and thereby consolidate its legitimacy. For Charles Kupchan, both values and interests are increasingly divergent across the Atlantic and will lead to the real clash of civilizations, between America and Europe.⁹ For Michael Lind, the values and societies are increasingly converging but geopolitical interests are increasingly divergent.¹⁰ For Philip Gordon (with Jeremy Shapiro)¹¹ and Timothy Garton-Ash,¹² while priorities differ, both values and interests, are more common or compatible than opposed, transatlantic conflicts are due to mismanagement more than to structures, a new deal or a new grand bargain (around Iraq for Gordon, after November and around a comprehensive agenda leaving Iraq aside for Garton-Ash) are both possible and imperative.

9 Charles Kupchan, *The End of the American Era*, Knopf, 2002.

10 Michael Lind, "The Atlantic is becoming even wider", *The Financial Times*, 23 August 2004.

11 Philip Gordon and Jeremy Shapiro, *Allies at War*, Brookings, 2004, and Philip Gordon, "Letter to Europe," *Prospect*, August 2004.

12 Timothy Garton-Ash, *Free World*, Why a crisis of the West reveals the opportunity of our time, Allen Lane, 2004, and "Letter to America", *Prospect*, August 2004

A few points seem beyond controversy. Domestically, the United States has moved to the right even if economic or international circumstances may lead, now and then, the Democrats to victory. There are comparable trends in Europe, where the failures of social-democracy and the crisis of the welfare state produce periodic calls for reform in the Thatcher-Reagan direction, but the resistance is much stronger. The priority given to equality and security over competitiveness and flexibility is still alive.

Another, perhaps even more spectacularly growing difference, is about religion. Europeans are becoming less religious, Americans more. Europeans are the exception to the revival which seems to occur in all major religions, with explosive political consequences.¹³ They tend, mistakenly, to identify American religiosity with Protestant fundamentalism, whereas American religion has in great part, followed the same evolution in an individualistic, non-dogmatic direction as in Europe.¹⁴ But the political influence of conservative Protestants has no equivalent in Europe. As Karsten Voigt remarked, in Germany, fundamentalist Protestants are predominantly pacifists, in America they tend to be predominantly Manichean.

None of these differences is fixed and permanent, however. Many apparently specific American trends are coming to Europe, from evangelical preachers to harsher penal sentences and to capitalist concentration in newspapers, in publishing and the media.

What may justify the variety of interpretations are the internal divisions both within the United States and within Europe?

II. Internal divisions and mutual perceptions

The most politically relevant division cutting across the transatlantic divide is political culture. As Gertrude Himmelfarb has observed, perhaps with some exaggeration, in *One Nation, Two Cultures*,¹⁵ the United States is divided into two cultures: what she called in 1999-2000 the dominant culture, that of laxity in terms of family and sexual rules but of insistence on “the caring virtues,” on compassion, repentance for past sins towards minorities etc., and what she called “the dissident” culture, calling for a

13 Malise Ruthven, Fundamentalism, The search for meaning, Oxford University Press, 2004.

14 Cf. Alan Wolfe, The Transformation of American Religion, Free Press, 2003.

15 Gertrude Himmelfarb, One Nation, two Cultures, Random House, 1999 and 2000.

return to the virtues of work, family, patriotism, discipline or manliness and for “a de-Europeanization i.e. re-moralization of American culture.” She called for “a change in culture through politics.” In large measure, this has been accomplished by the election of George W. Bush and above all by the shock of 9/11. But it had started earlier. The rise of this trend has been described and explained in various ways as the rise of the “Jacksonians” (W. Russell Mead)¹⁶ as the conquest of the United States by Texas or by the South (Michael Lind).¹⁷

Many Europeans have tended to deplore what they saw as the wild swings in the American moods and intellectual fashions. Yesterday, Europeans, and particularly Parisian intellectuals, were mocking the excesses of “political correctness,” of legalism, of feminism, of self-denigration, of risk-avoidance (like the primacy of force-protection and the search for a “zero-death” military posture). To-day, they criticize the opposite excesses – bigotry, brutality, self-righteousness, Manicheism, arrogance, adventurism. It does seem an American tendency for the pendulum to go from one extreme to another, although some balancing mechanisms have preserved the United States, unlike most of Europe, both from the fascist and from the communist experience.

But the point is that while some Europeans criticize the oscillations in American political culture, most of them criticize one version and identify with the other. The groups traditionally most pro-American, the youth, the educated, are, today, the most hostile to the Bush administration. Some recent American presidents like Kennedy and Clinton have been popular among the European young, as symbols of dynamism and modernity. Carter was respected by some for his stand on human rights, but irritated others by his sanctimoniousness and moralism. Nixon was attacked by the left because of Vietnam and Chile, he was criticized by Protestant Europe for Watergate but found favor with Catholics and Latins more hostile to moralism and appreciative of realism. Reagan was criticized for his black-and-white view of the world and for his vigorous assertion of American primacy but criticized by the right and applauded by the left for his understanding with Gorbachev. Only George W. Bush

16 Walter Russell Mead, Special Providence, Knopf, 2001.

17 Michael Lind, Made in Texas. George W. Bush and the Southern Takeover of American Politics, Basic Books, 2003.

is almost unanimously condemned in Western Europe, for being both arrogant and simplistic, trigger-happy and missionary.

This quasi-unanimity is broken, however, by the attitudes of the formerly communist European countries.¹⁸ American traditionalism, complete with patriotism, religion, family values, death penalty and repression of sexual minorities reassures them more than it shocks them. They are more enthusiastic about capitalism than about social democracy even though many of them are nostalgic of the stability provided by the last years of communism, and East Germans have remained distrustful of “American imperialism.” While Greece is the most anti-American country, Albanians, particularly Kosovars, are the most pro-American people. And this brings in the second aspect, the role of the American superpower in the world.

For most West Europeans, American power was necessary and beneficial (although occasionally misguided like in Vietnam) as long as there was a Soviet danger. Once the United States has remained the only military superpower as well as at the center of the world economic system, the tendency to resent its superiority and to fear its domination has increased spectacularly, as well as the temptation to blame it for all the injustices and disruptions of the world, whether caused by its influence or by broader phenomena as globalization. For the East Europeans, by contrast, America has remained the Liberator, the country that, by standing up to the Soviet Union or to Milosevic, has delivered them from evil. Most importantly, it remains the power they trust for their protection against their former masters, and, initially at least, they were ready to give it the benefit of the doubt in its search for liberating the world from other tyrannies.

West Europeans, too, have expressed solidarity with the United States after 9/11 against the new common enemy, Al Quaida, witness the famous editorial in *Le Monde* “We are all Americans,” and the immediate and unanimous invocation of article 5 of the NATO treaty. But the disdain with which these shows of solidarity and these offers of help were received by the Bush administration, the difference of intensity of the reaction and, above all, the difference of analysis between Americans and Europeans of the threat and of the means to counter it, have soon soured

18 Cf. Ivan Krastev, “The Anti-American Century,” *Journal of Democracy* 15.2, April 2004.

these feelings of communality and, above all, the faith of West Europeans in America's leadership. While for some, on the left, the search for the root causes of terrorism led to seeing America as having created the situation which led to Islamic terrorism, a vast majority of the critics insist that their quarrel is with the Bush administration, not with the United States as such, nor its past policies. For instance 76% of the French and 68% of the Germans blame Bush rather than America. For the Russians, the proportion is the opposite: 29% blame Bush, 48% America.¹⁹ Nevertheless their negative reaction to current American policies does translate, particularly among countries nostalgic of their past position, like France, or eager to show their independence, like Germany, into a more long-range desire for Europe to ensure its own defense and security even though, as we have seen, this desire is not likely to lead to a real financial and military effort any time soon. What this shows is that Americans and Europeans do not live in different worlds but that their reaction to the same challenges may lead to divergences and disputes between them. Very often, however, these transatlantic divergences and disputes are another face of intra-American and intra-European ones. Just as the American right's outbursts against Europeans are often primarily aimed at American liberals, so the desire of European governments to show their independence from the United States is often, above all, a way of courting the favor of their own pacifist youth or of undercutting their leftist or nationalist challengers.

III. Common debates, different reactions

The detour through intra-American and intra-European differences points towards a third dimension: the general evolution of the West, and the way its course is influenced, deflected or arrested in different places and at different points in time by encounters with external challenges. A perfect example is the parallel between the Suez expedition of 1956 and the Iraq one of 2003. In 1956 it was the French and the British who described Nasser as Hitler, saw in him both a menace to Western energy security and a decisive aid to the Algerian insurrection and, together with Israel, attacked him. They were stopped by whom? By the United States, in convergence with the Soviet Union and in the name of the United Nations and of the illegitimacy of unauthorized use of force!

19 Pew Research Center, *Views of a changing World*, 2003.

The French and the British were, then, in the middle of the decolonization struggle whereas the United States, led by a soldier's distrust of the "military-industrial complex" and of war in Asia, had not yet engaged in Vietnam, where John F. Kennedy, a dynamic young president advised by "the best and the brightest" civilian strategists was to plunge a few years later. The Vietnam adventure, in turn, produced a delegitimization of the American establishment. It contributed, domestically, to the counter-culture of the 1960s, and, internationally to a reluctance towards risk-taking and the use of military power. In turn, the neo-conservative movement is perhaps above all a reaction to the humiliation of Vietnam and to the spirit of the 1960s. They were looking for an opportunity to reawaken American patriotic virtues and reaffirm American military power. This opportunity was given by the terrorist attack of September 11, and could be exploited thanks to the huge military power accumulated since Reagan and to the disappearance of the Soviet challenge. Meanwhile, the Europeans had no similar domestic reaction. Externally, while not going to the extremes of the American reluctance to risk the lives of their troops, they had assimilated the lesson of colonial wars and with the partial exception of the U.K. and France turned their energies – or whatever was left of them – to domestic and European pursuits.

Another element is that the United States had grown gradually closer, and the Europeans colder, to Israel. But the point is that old challenges (the Arab world, oil, the Israeli-Palestinian conflict, the encounter of the West with traditional cultures, and religions) and new but common ones (globalization, climate change, epidemics and, above all, apocalyptic transnational terrorism) caught Europe and America at different stages of their evolution, both in terms of political culture and in terms of power.

This raises fundamental questions about their cooperation. Timothy Garton-Ash is right to write: "America is divided by a great argument about itself. Europe is divided by a great argument about America, which is, however, also a symptom of Europe trying to make sense of its own transformation."²⁰ But there is a complementary truth which is no less important.

America is divided but in spite of periods of self-laceration and of exceptions on the extreme left and the extreme right, Americans are all certain

20 Timothy Garton-Ash, *Free World*, *op. cit.*, p. 187.

of their identity and of a traditional belief: the idea that America has a mission in the world and the strength to implement it. On the other hand, they have very little understanding of this outside world which they want to lead or to save. Hence their surprise at the resentment or the resistance they encounter.

Europeans, on the other hand, being much less self-sufficient, are much more in contact with the complexities of the world. They wonder at American naïveté and are apt to avoid pitfalls which, in addition, they could much less afford than the United States. But their self-pride, their dynamism and their sense of the future remain at a very low level, in spite of the remarkable achievement of the European Union, which seems to have lost, at least among its members, the power of attraction and inspiration it once had.

Out of this difference can arise conflict and misunderstanding, or complementarity and cooperation. If only Americans could resist their imperial and utopian temptation without falling into its isolationist opposite, if Europeans could resist their pacifist and their “passivist” temptations (or preference for the status quo), their alliance could be as useful against the new threats as it was against the old ones. But for that, the Americans must learn to listen as well as to lead. They must recover the wisdom which once led them to favor a uniting Europe instead of trying to divide it.

Americans and Europeans could then work together for a mixed and flexible system which would combine American primacy, a concert of powers sharing a minimum of common interests and values, and a real dialogue with other actors, state and non-state, aimed at reforming the world and at saving it from destruction.

But this is a distant perspective. For the time being, the European are faced with the reality of the struggle between the “hyperpower” of the American empire and the “hyper-terrorism” of fanaticism and resentment have a choice between four attitudes.

The first would be a quasi-total western solidarity as exemplified by Tony Blair.

The second would be a quasi-total opposition to US imperialism as exemplified by the extreme left and the “alterglobalists.”

The third would be a kind of passive neutralism: “Neither with the United States nor with Saddam (or Al Qaeda)” on the model of the Italian slogan of the 1970s “neither with the state nor with the Red Brigades.”

The fourth would be based on differentiation, discrimination and conditionality. It would say yes to the war against fanatical terrorism but no to the war of civilizations, or of North against South, Christians, Jews and Hindus against Muslims, rich against poor, etc.

It would say no to the war against Iraq, but yes to an energetic help to avoid post-war disaster. It would say no to the imperial utopia of universal democracy imposed by force, but it would say yes to differentiated efforts at fighting against tyranny and insecurity, through means which may or may not include force, according to criteria of legitimacy and effectiveness. It would be faithful both to Europe’s interests and to its principles.

Shahram Chubin

Prospects for US-European Cooperation on Terrorism and Proliferation

Abstract

Since the end of the Cold War, US-European threat assessments and appropriate responses, have diverged. Despite similar values, in the absence of a common threat, other differences have loomed larger. (Thus Robert Cooper in 1996 contrasted postmodern Europe: post nationalist, sharing sovereignty, averse to the use of force and secular, with a 'modern' US that is highly nationalist, jealous of sovereignty, strongly religious and over-reliant on the use force)

Common institutions like NATO have not been enough to keep the relationship on track. Past differences like the imbalance in power (military effort, mil-ex) and emphasis (global vs. regional/ force vs. diplomacy) now appear much starker. In a unipolar world, the US has less patience with consensus and legitimation through collective bodies (or 'war by committee'). And the EU, preoccupied with its own historical experiment, sees itself as the model for a rules-based system of international order to be achieved through the stabilization of Europe through integration, enlargement and engagement.

None of this prevents cooperation, for even in areas where there are serious differences, there are also joint interests. But such cooperation in terrorism and proliferation is necessarily fragile especially after Iraq which reinforced the caricatures on both sides. And it is unlikely to cover the major schism that has developed and may grow as new threats emerge.

However much most of the Allies may want to draw a line under their differences on Iraq and move on, the future of Transatlantic relations remains linked to the responses to 9/11 and Iraq. Whether (and how) the allies can cooperate on terrorism and WMD proliferation cannot be as-

sessed without reference to recent events and experiences and what they reflected and their legacies. What follows is a greatly simplified and abbreviated assessment intended to sharpen the distinctions for purposes of discussion. My basic thesis is that 9/11 and its aftermath has exacerbated other differences among the allies (burden sharing, military effort,) and especially different visions of world order. This differentiates it from previous and perennial alliance crises. It could thus serve as a turning point in an alliance that has lasted well over half a century. Europe has neither the cohesion nor the will to compete with the US but as an economic power it can obstruct a US dominated order. This need not happen but it may. After a brief discussion of recent events to illustrate existing differences I turn to an issue that may widen existing gaps even further: Iran's nuclear weapons programme, and conclude by looking at the broader picture.

The US and Europe after 1989

Changes in the international system account for divergent threat perceptions between European and US *inter alia* on proliferation and terrorism. During the Cold War there was a sense of shared threat, a common focus on Europe and acknowledged dependence on US leadership. Bipolarity tempered US behaviour. No such shared threat existed after 1989. Unchecked, the US found it difficult to resist the 'unilateralist temptation.' A shift in focus from Europe plus a widening of the capability gap, left the utility of NATO in question. While the US saw its role as *the* guarantor of international security it found its allies more prone to question its methods and less able to contribute meaningfully to solutions. The Europeans in turn resented the lack of consultations but were unable to generate the political will to increase their defence effort.

As the US came to see itself as the peerless 'indispensable state' creating its own legitimacy, its allies focused on institutions and norms and multilateralism.¹

This was as much true of nonproliferation as intervention policy. For the US, proliferation emerged as the primary threat after the Cold War. *Enforcement of compliance* of arms control in the form of muscular counter-proliferation replaced an interest in arms control agreements. A

1 See James Thomson *Survival* (2003/04); William Kagan *Foreign Affairs* (2004)

shift to “punitive and defensive options” was perceptible. In addition, “increasingly dire” threat assessments” depicted proliferation as “unnameable to deterrence or political persuasion” creating the basis for US unilateralism² In contrast Europeans while geographically more exposed were less so strategically, with corresponding less threat awareness. Europeans tended to look at proliferation less as an existential threat and more of an issue to be dealt with in terms of its “underlying causes” (such as security problems and grievances) and in its regional context with diplomacy.³

At the same time, in the US international terrorism had risen in salience as a threat to security (especially after 1993). The tendency for terrorists (cults, religiously motivated) to inflict maximum violence seemed to herald a new era of “mass casualty” terrorism. This appeared to be proven when the Aum Shinriyko cult tried to use WMD in the Tokyo underground in 1995. Thereafter standard discussions of terrorism in the US incorporated the probability of WMD terrorism. The Europeans’ approach remained resolutely conventional. Having seen -- and seen off -- ideological terrorism in the 1960’s and 1970’s (Red Army Faction, Red Brigades, BaaderMeinhoff) ,Europeans were more impressed by the staying power of the national terrorists like IRA, ETA, Action Direct and further afield LTTE, all of which had political agendas and needed some form of political response. Even the terrorism in Europe from the Maghreb (1990’s) or Middle East (1980’s) were seen in a similar light.

The US perspective and logic led to certain policy conclusions. If “rogue states” were undeterrable (Les Aspin) and they consorted with transnational terrorists seeking WMD, who were also undeterrable, what was to prevent these rogue state from supplying these terrorists with WMD? Similarly, if both of these groups were undeterrable, policy would have to deal with them through counter-proliferation (later called pre-emption) and defence (NMD). This conflation of threats, (which the 9/11 Senate Intelligence Commission called, a “train of assumptions”) of course crystallized in the case the US made regarding Iraq and Al Qaida post 9/11.

2 Gilles Andreani *Survival* (1999/2000)p.43-44. Andreani quotes a 1998 poll as putting international terrorism and proliferation as the most ‘critical’ threats facing the US.(45).

3 Andreani, 55-57.

The Europeans, on the other hand, saw rogue states rather differently, without demonizing them and not excluding critical dialogue with them. Nor were they persuaded that such states would relinquish their WMD to terrorists and thereby subject their own security to the whims of such groups. For Europe diplomacy remained the primary means of dealing with such threats.

These differences in approach, already evident in the 1990s, were crystallized in the reactions to 9/11.

9/11, Iraq and its Repercussions

The surprise attack on the US homeland brought home the fact that the US was at war with shadowy figures from the Middle East willing to target civilians. Prior to 9/11 the US and Europe diverged on the immediacy and ‘criticality’ of the threat; after 9/11 they diverged on whether they were “at war” and whether there is such a thing as a global terrorism (as opposed to *many* terrorisms). (The Europeans also felt less existentially menaced)⁴ Where the US focused on the military means to deal with the threat from terrorism, Europeans tended to differentiate among terrorisms and focus on the “root causes” animating the various terrorist movements (eg Hamas, the Chechens, Kashmiris, etc). Sympathy for the US after 9/11 initially covered this divergence but it soon emerged on Iraq.

The US response to 9/11 was not encouraging. Besides the military emphasis there was the strident rhetoric (“with us or against us”), the slighting of a NATO role in favour of coalitions of the willing and later the undisguised effort to play on European divisions. If the US emphasis on forward and anticipatory self-defence was generally supported, the effort to link Iraq with 9/11 was not. Where many in the US, chafing at the inability to deal with Saddam Hussein in 1991 (or 1998), saw this as ‘unfinished business’ for the international community, and another case of forward defence against terrorism, most Europeans saw this as a discretionary war, not necessitated by an imminent threat or indeed any security rationale. The US willingness to go it alone (albeit in a coalition) without Security Council or NATO legitimation seemed to underline for Europeans the shift of the US from “status quo superpower to revolutionary hy-

4 While for the US post Cold war threats shifted to terrorism, the Middle East and N.E.Asia, for Europeans it disappeared. Thomson (218).

perpower.”⁵ It appeared to some that the foremost aim of the US in Iraq was to shatter the strategic status quo in the Middle East.⁶

Although polls in 2002 showed that the majority of Americans (91%) and Europeans (64%) shared the view that international terrorism was an “extremely important threat,” it was also clear that they diverged on details and that Europeans did not view proliferation as an “immediate security threat”.⁷ They also distinguished among terrorist groupings. Furthermore Europeans do not believe that anti-terrorism should be the “organizing principle” of national strategy as does the US National Strategy document.⁸ By 2004 a large majority of people polled in the US did not feel the threat from terrorism was exaggerated, while in France (57%) and Germany (49%) many felt that the US was exaggerating the threat.⁹

Iraq had the effect in Britain and Spain, as in the US, of undermining trust in government and the intelligence services. Most Europeans shared the view of Richard Clarke that Iraq has diverted resources away from terrorism, where it had not in fact *increased* that threat.¹⁰ The fact remained that Europe did not accept the Bush diagnosis under which all the problems of the Arab and Islamic world¹¹ were grouped together “under the heading of the ‘war against terrorism’” After 9/11, Bali and other attacks including Madrid; after the war in Iraq and after revelations about nuclear weapons programmes in North Korea and Iran, the position of most Europeans *still* differed from that of the US. Europeans *still* preferred to look at underlying causes and to political tools to manage the problem.

5 Philip Stevens “A Fractured world remains a very dangerous place,” *The Financial Times* December 19, 2003, 13.

6 “Iraq :La tromperie” (edit.) *Le Monde* January 27, 2004, 17.

7 2002 Chicago Council on Foreign Relations/German Marshall Fund poll. See Dalia Dassa Kaye “Bound to Cooperate?” *The Washington Quarterly* (2003/4) 186-188.

8 James Steinberg “An Elective Transatlantic Partnership for the 21st Century” in *Crossing the Atlantic* (A report from the Aspen Atlantic Group 2003workshops) Madeleine Albright and Kurt Campbell (eds) 2004, 21.

9 From the PEW Poll quoted in “Foreign Policy: America is from Mars, and Europe from Venus” *The Economist* March 20, 2004, 51-52.

10 A prominent member of the European Commission summed up the conventional wisdom as follows: “Because of the Iraq war, the threat of terrorism is now ten times worse than when Saddam was in power.” “Charlemagne: We Told You So” *The Economist* May 15th, 2004, 30.

11 See “On Terror, We are all on the same side,” *The Financial Times* (edit) March 18, 2004, 12.

Whether on proliferation or terrorism strong responses needed to be complemented by political strategies: “Terror thrives in conditions of poverty and inequity, weapons programmes appeal to the dark ambitions of insecure states in a hostile world.”¹²

Despite the different emphases, the Europeans sought to narrow differences with the US, and avoid the idea that they were opposed to the use of force under any circumstances. The EU Strategy document approved in December 2003 reflected a definite effort in this regard. It placed terrorism and WMD as high priorities in security policy; accepted the need for forward defence, envisaged that there might be circumstances when force would have to be used, even preventively, and was careful not to discuss what would be the agency for legitimating this or particular scenarios when this might occur. It also pointedly noted that there were no purely military threats or military solutions the document sought to lay to rest the notion that Europe was only an economic power or had only regional interests insisting that the EU is “inevitably a global player.” At the same time it called transatlantic ties “irreplaceable” and focused on the need for an “effective multilateral system.”¹³ All in all the document was a distillation of the lessons of recent experience for future policy guidance and an attempt to bridge the gaps that had emerged and polarized the transatlantic community.

Some observers saw a new attitude in Europe toward terrorism after the Madrid bombings (March 2004) characterized as a “wake up call.”¹⁴ Certainly the problem of (especially Muslim) immigrant communities and their possible radicalization by clerics or ideologues, has become a sensi-

12 “Safety first in a troubled world ; but the causes of terrorism and WMD must be tackled too,” *The Financial Times* (edit.), December 27/28, 2003, 6. Romano Prodi, the President of the EU Commission, observed that Europeans were united against terrorism, Iraq was a ‘mistake,’ and that while terrorism must be fought violently, root causes must be addressed, including the Palestine-Israel issue. Brian Knowlton “European Leaders talk of greater terror fight; Many say that war in Iraq is not the answer” *International Herald Tribune* March 22, 2004, 3.

13 “A Secure Europe in a Better World,” European Security Strategy, (Brussels, December 12, 2003).

14 See Richard Bernstein “Europeans perceive a new mortal threat and seek an answer,” *International Herald Tribune* March 15, 2004, 1; John Vinocur, “Europe is talking tougher against Islamic terrorism,” *International Herald Tribune* May, 4, 2004, 2. Nile Gardner and John Hulsman “After Madrid: Preserving the Alliance against Terrorism,” The Heritage Foundation Backgrounder No.1743 April 9, 2004.

tive issue since 9/11. This is especially true but not limited to countries with large Muslim populations: France and Spain (mainly North African), Germany (mainly Turkish), and Britain (mainly South Asian). But there is still no sign that Europe or Europeans feel that they are *at war* or feel existentially threatened. Intra-European cooperation on intelligence sharing and counter-terrorism has improved over the past three years. This includes a common European arrest warrant, “cooperation on extradition and information sharing.”¹⁵ Whether the Europeans have gone far enough is another question. Information sharing is one thing, coordinating among agencies, (law enforcement and intelligence) sharing evaluations and changing mindsets, (as we have seen in the US reports post 9/11) is another.¹⁶

Strains with the US over Iraq, and divergent analyses regarding the causes of, and remedies for, terrorism have not prevented considerable cooperation between Europe and the US on counter-terrorism. Indeed practical cooperation between intelligence agencies has survived (and even intensified) despite the political tensions between Washington, Paris and Berlin. Practical areas include measures dealing with shipping and containers security as well as NATO’s role in providing the Olympic games with security. Extradition has been difficult given differences on capital punishment. Airline security has been problematic as Europeans are concerned about the civil liberties’ implications of sharing of private information about passengers with a US apparently inflamed by its ‘war on terrorism’ Hence fears of misuse of this information, *inter alia* through racial or religious profiling etc. The EU’s “surrender” in this to the US in an agreement in June 2004 was depicted by *Le Monde* as “ putting transatlantic flights under American control.”¹⁷ Ironically the US’s behaviour in Guantanamo, with military tribunals and the excesses of the Patriot Act, have made some European countries not hitherto noted for their own

15 For background see Therese Delpech, “International Terrorism and Europe,” *Chaillot Papers*, No.56, December 2002.

16 Richard Falkenrath “Europe’s Dangerous Complacency” *The Financial Times* July 7, 2004, 13. (The title reflects the author’s disquiet about Europe’s so far ineffectual response) Interior Minister of the EU agreed in July 2004 on the need for improved cooperation on terror. *International Herald Tribune* July 7, 2004, 4.

17 See “Les vols transatlantiques sous contrôle américain,” and the editorial “Sous Pavillon US.” *Le Monde* Juin 22, 2004.1, 2, 20.

civil liberties, critics of a US that has been, until recently, a model for most states in that regard.

European cooperation with the US on proliferation has also improved. Again, despite criticism of the US' lumping together very different regimes (the "axis of evil") and despite different diagnosis about the causes noted, and hence inevitably different emphases on responses, there is not much divergence on the implications of further proliferation of WMD for world order in general or the NPT in particular. If the Europeans do not see that the US' adoption of a regime change policy as very effective, reliable or repeatable, they are concerned about the unraveling of the global norm against proliferation" represented by the NPT. Nor do they want the US to feel that it is alone in this concern and hence encourage its hardliners to seek further instances of "uncooperative threat reduction" on the Iraq model.¹⁸ Europeans have embraced the US, Proliferation Security Initiative, to intercept the transfer of materials for proliferation. Britain has taken the lead in managing Libya's retreat from nuclear weapons.

An interesting case that will confront the allies in coming months is that of Iran. The European states in general believe that "engaging proliferators diplomatically" can be more effective than boycotting them.¹⁹ In that spirit the EU has pursued a policy of conditional engagement with Iran. The dialogue has included the subjects of human rights, economic relations, the Middle East issue and proliferation. Revelations about Iran's nuclear weapons-related activities starting in 2002, together with the crisis in Iraq and the related issue of North Korea's nuclear programme, raised the question of how to deal with Iran, a state still in good standing with the IAEA: The three principal EU states, the UK, Germany, and France sent their Foreign Minister's (EU-3) to Tehran in autumn 2003. The aim was to find a way of convincing Iran to stop its programme through inducement and to thus avoid a military confrontation that might otherwise loom between Tehran and Washington (Tel Aviv). The carrot was an offer by these states to guarantee Iran's access to nuclear technology (and to continue talks on a favourable trade agreement) in exchange for which Iran would adhere to the NPT's Additional Protocol (with

18 For background see Harald Muller, "Terrorism, Proliferation: European Threat Assessment," *Chaillot Papers* No.58 (March 2003).

19 See "Evoking the past cannot heal the rift," (editorial) *The Financial Times* June 5-6, 2004.6.

tighter safeguards) and cease (or suspend) work on uranium enrichment. This (October 21st) agreement has since unraveled. Iran insists that the IAEA's various resolutions deploring Iran's activities has meant that the EU had failed to "close the file" on Iran's activities and that Iran was only obligated to suspend not permanently cease enrichment activities. It has signed not ratified the AP. And it has restarted work on centrifuge production. In reserve Iran is keeping the threat to resume enrichment, not to ratify the AP and to withdraw from the NPT altogether. Further talks between Tehran and the EU-3 are scheduled for late July (after this paper is completed). It is clear that Tehran feels less concern about a US military response than it felt in the summer of 2003. With US forces overstretched, and its moral authority compromised after the Abu Ghoraib revelations and the credibility of its intelligence in shreds,²⁰ Tehran feels little immediate threat from the US. Indeed in this climate Iran's 'standing up to' the US gains it sympathy and admiration in the region.²¹ While the EU can offer the inducement of a trade agreement and support for Iran's access to peaceful technology, it is not clear that this alone will be enough.²² The alternative of EU sanctions, strong condemnation by the IAEA and further sanctions under the auspices of the UNSC might have resonance in Tehran, if it was felt to be credible. It presupposes EU unity and for sanctions to work, cooperation of Iran's major trading partners (including Japan) and agreement among the UNSC members (including Russia). All of this would be needed plus the ultimate threat of more forceful measures. This assumes also enough provocation and /or a smoking gun to catalyze such a response. Which country or set of countries

20 Richard Bernstein, "Growing ever deeper; the Transatlantic divide," *International Herald Tribune* May 14, 2004, 2. Bernstein notes that after Abu Ghoraib and Iraq, it will be "vastly more difficult to persuade" allies to do something in the future on Iran.

21 Personal interviews, Jordan, May 2004. Ironically the states that should be most concerned about Iran's WMD programmes, its neighbours, are the most silent and fixated on the US debacle in Iraq.

22 The Iranians want direct access to the full fuel cycle, allegedly on the grounds of self-reliance and non-dependence on external sources. An additional argument is the discriminatory nature of recent proposals to internationalize enrichment facilities and to draw a line under those who now have them and prevent others from doing so in the future. This is the gist of President Bush's initiative in 2004. (A similar proposal has been offered by the UK) Iran's stance has support among non-aligned countries like Brazil, which is also sensitive to discrimination. This can thus be depicted as a new north/south issue.

have the standing to create such a coalition? And to embark on this road the allies would have to accept the possibility that Iran would leave the NPT and continue its programme without inspections.

It has been suggested that the EU and the US need to change roles; with the EU adopting tougher policies and the US a softer approach not excluding dialogue and an eventual bargain.²³ A mix of these approaches, if they were credible, might work, but it might not. The question then would be whether the EU would remain united and adopt, with the US, a common approach? Differences in the assessment of Iran's nuclear ambitions might then become an obstacle. For while European countries generally share the US' goal of keeping the NPT intact, they do not, like the US, feel that a nuclear Iran would necessarily pose a major or direct security threat to Europe.²⁴

The Outlook

In these circumstances what is the scope for future cooperation in these fields of terrorism and proliferation? On the face of it, both sides of Atlantic should have learnt lessons; on the one hand that unilateralism and excessive reliance on the use of force can prove counterproductive and on the other, that force and preventive action need to complement multilateralism and soft power. But this is not a view shared by all. Some argue that precisely these issues, *remain* as "the heart of the problem" in the alliance, namely the nature of the new threats and appropriate responses, including the legitimacy of pre-emption, the alliance's role beyond Europe and the possibilities of reform in the Middle East.²⁵ If that is indeed still the case then the events of the past three years have only underscored differences rather than served to narrow them. In which case, why is this so?

The problem stems from two principal causes; the wide disparity in power and different conceptions of international order, neither of which are likely to change. Post Cold war the gap between US and its allies' military capabilities has grown. The US does not see others making a

23 Notably by Robert Einhorn, "Iran Prospects for a Common Transatlantic Agenda: The Iran Nuclear Issue" *Briefing Paper for the Aspen Atlantic Group*, The Hague, Netherlands, July 6-8, 2004. See also Kaye (2003/4), 189.

24 This is the unscientific impression of the author, worth debating perhaps.

comparable military effort and therefore does not accept others' right to be consulted on issues for which they take little or no responsibility (i.e. neither sharing the risks nor the costs) Europeans by contrast seek the consensual and institutional decision making they are used to from the halcyon days of NATO. There is no indication that Europeans (other than the UK and France) will be willing in the foreseeable future to spend more on defence, or that the US will change its approach appreciably. However the issue is cut (reformed forces, niche capabilities, division of labour etc.) the issue will persist that differences in capabilities (reflecting different priorities and urgencies) will remain. And the US will remain "unilateralist when it must."

The second issue is differences on a desirable international order. This again relates to differential power. On the one hand it is not in Europe's interest that the US rely only on itself. On the other hand, the US has defined its role as that of preventing the "emergence of a peer competitor." Some in Europe believe that the US's aim of unchallenged supremacy is incompatible with "Europe's aim of becoming a political actor." Hence the US constitutes a threat to Europe's evolution, integration and identity.²⁶ This view is certainly tenable in light of recent US policy which has sought to accentuate Europe's divisions. It is strengthened by the view prevalent in some quarters that the greatest threat to Europe's security is that of Americans dragging them into a foreign war."²⁷ Europeans increasingly want Europe to take a more independent approach to security and diplomatic affairs.²⁸ This, of course, begs the question whether they are willing to pay for it. Moreover with enlargement and the new Constitution, it appears that Europe will become more introverted in coming years, even as it pursues a "neighbourhood" policy, possibly more focused on the Caucasus and Central Asia than the Middle East. Continuation of enlargement as a security policy looks more likely than a Europe that competes with the US militarily. The EU focus on institutions and norms will still look to the US like a cover for inaction, while for the

25 Philip Stevens "The Atlantic Alliance needs to face up to its Divisions," *The Financial Times* July 2, 2004, 13.

26 Muller (2003) 92-98.

27 Bill Drozdiak, head of the Brussels-based Transatlantic Centre, quoted in "Charlemagne: We told you so," *The Economist*, May 15, 2004, 30.

28 PEW poll reported in "Europeans Distrust of US Sharpens," in *The International Herald Tribune*. March 17, 2004, 1/8.

Europeans the US insistence on primacy will look like a barely disguised hegemony, unconstrained by rules. Hence existing differences on the proper agency and process for the legitimation of controversial policies will continue.²⁹ An extreme outcome might be a sustained European effort to construct a multipolar world. Europe could differentiate itself (and sabotage) US policies e.g. with reference to arming China.³⁰ This would be unhelpful in the extreme and could poison relations further. The logic of a multipolar world would be the balance of power politics associated with Europe prior to World War I,³¹ not necessarily preferable to the existing system.

An independent Europe arrayed against the US appears improbable. First, there is no support for this, except possibly in France. Second, the Europeans will not will the means to make it possible. Third, economic ties are dense and will act to constrain a major rupture.

How then will these differences play out? “Everything is possible, from a restoration of a shared purpose to slowly drifting apart ,or even abrupt and bitter divorce. Perhaps the most likely outcome is cooperation *a la carte*.”³² The fact remains that there is nothing that can be called an “international security architecture.” The EU is introverted, NATO overstretched, the UNSC divided and the US over-extended.³³ The failure of allies to help out on Iraq, a common interest, could lead to further resentment. With Iran, North Korea and the Middle East peace process in prospect, the war on global terror continuing, drifting apart and even divorce appear more likely than the restoration of a shared purpose.

29 See Kagan’s discussion.

30 See for example Reginald Dale “Transatlantic dispute over arming China,” *International Herald Tribune*, July 15, 2004, 6.

31 See Charles Kupchan et.al “Renewing the Atlantic Partnership,” Council on Foreign Relations report, quoted in Charlemagne, *The Economist*, May 15, 2004, 30.

32 Martin Wolf “The Transatlantic divide must not be allowed to widen,” *Financial Times* June 23, 2004, 13.

33 See Philip Stevens “A fractured world remains a very dangerous place,” *Financial Times* December 19, 2003, 13; and “Still Taking on the World?” *The Economist* (leader) July 3, 2004, 11-12.

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- C 143 (2005) Samuel Wells / Ludger Kühnhardt (eds.)
The Crisis in Transatlantic Relations

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