



TRANSATLANTIC RIFT: HOW TO BRING THE TWO SIDES TOGETHER

Charles Grant





CENTRE FOR EUROPEAN REFORM

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ABOUT THE AUTHOR

Charles Grant has been director of the Centre for European Reform since 1998. Before then he worked as a journalist on *Euromoney* and then *The Economist*. He is the author of several CER publications, including ‘Can Britain Lead in Europe?’ (1998), ‘EU 2010: an optimistic vision of the future’ (2000) and, as co-author, ‘Europe’s Military Revolution’ (2001) and ‘New Designs for Europe’ (2002). He is a trustee of the British Council, and chairman of the council of experts of the Moscow School of Political Studies.



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Summary of recommendations

For the Americans:

1. Be aware that unilateral actions carry costs

There will be times when the US ignores its allies, the UN or international agreements. But the US should be aware that there is a price to be paid for acting unilaterally. The more the US behaves in a unilateral manner, the more its 'soft' power – the ability to affect events through persuasion rather than coercion – is liable to diminish. Unilateral actions will often lead to more anti-American sentiment; make it harder for the US to put together international coalitions; and increase the chances of other governments thwarting US objectives in international fora. Conversely, if the US seeks to play an active and constructive role in the UN, and if it shows greater respect for international law, it will boost its moral authority.

2. Remember that the style of your diplomacy affects outcomes

The Bush administration's diplomacy – or the lack of it – has on several occasions led to results that are harmful to US interests. The president's decision to cut off contact with Chancellor Gerhard Schröder, to punish him for an anti-American election campaign, contributed to Germany lining up behind France on Iraq. And then in early 2003 Defence Secretary Donald Rumsfeld's attack on France and Germany as 'Old Europe', and his comparison of Germany to Cuba and Libya, made it harder for the US and the UK to achieve a new United Nations Security Council (UNSC) resolution on Iraq. The mishandling of Turkey has sapped the loyalty of one of America's closest allies. Senior figures in the Bush administration need to travel, listen and consult more than they

have done. And they should not try to punish errant allies if they want them to cease erring.

3. Use the reconstruction of Iraq as an opportunity to revive transatlantic co-operation

The US should re-examine its current policy of minimising the UN's role in Iraq and excluding opponents of the war from involvement in the reconstruction. The ambiguities in UNSC resolution 1483, passed in May 2003, should be resolved in favour of an enhanced role for the UN in the government of Iraq. An Iraqi government that is appointed by the UN rather than the US would have more authority. The running and rebuilding of Iraq is an enormous task, and the Americans will need all the money and expertise that others are able to contribute. If France, Germany, Russia and others who opposed the war are to be involved, their companies cannot be excluded from the economic benefits. Iraq will require tens of thousands of international peacekeepers for many years to come. A NATO force would have more legitimacy in the eyes of Iraqis than a mainly American force. If French and German troops were involved in such a force, NATO would regain some badly-needed vitality.

4. Be even-handed in the Middle East

In most countries people think the US is prepared to be tough on the Palestinians but not on the Sharon government. This perception has a huge impact on America's prestige and reputation, not only in Arab countries but all over the world. President Bush will not be able to alter this perception unless he is prepared to get tough with the Likud government. He should also recognise – as the State Department certainly does – that the US can achieve more by working with the EU and the other members of the 'Quartet'. American influence in the region has suffered from the State Department and the Pentagon running rival foreign policies. The president needs to clarify that the State Department is in charge. If he can maintain a commitment of time and energy, in an even-

handed manner, he will disarm his European critics and, more importantly, increase the chances of peace in the region.

5. Don't jiggle the knife in the wound between 'New' and 'Old' Europe

Most of the fundamental interests of New Europeans and Old Europeans are similar, and in the long run – when emotions over Iraq have subsided – the wound is likely to heal. In any case, even if US policy succeeded in keeping the wound open, the consequences would be bad for America. For if one group of European states supports the US, the opposing group, with real economic and diplomatic clout, will be actively hostile. That would make it harder for the US to build alliances and gain the support of international organisations – without which it cannot tackle a host of global problems. The US should also remember that in a divided Europe Britain, its best friend in the EU, would suffer a loss of influence. The British cannot achieve their objectives – such as a radical reform of the Common Agricultural Policy, structural economic reform across the EU, or effective institutions which respect the role of national governments – without the co-operation of the French and the Germans.

For the Europeans:

1. Adopt new economic policies, to encourage higher growth

The continuing under-performance of the European economy has strategic costs. A strong European foreign and security policy requires robust economic growth: not only the instruments of hard power, but also those of soft power – such as development assistance – cost money. Europe should also improve its economic performance to gain more respect from the Americans and restrain their triumphalism. So the EU governments must push ahead with the 'Lisbon agenda' of economic reform, in particular by

liberalising financial services, transport and labour markets. They also need to grasp the nettle of pensions reform. EU finance ministers should make the rules of the Stability and Growth Pact more flexible, so that they do not unduly constrain countries which have sound public finances. The European Central Bank should try to support economic growth with as much determination as the US Federal Reserve.

2. Enhance your military capabilities

The Europeans will not convince anyone in Washington that they are serious about the European Security and Defence Policy (ESDP) unless they spend more money on defence. All EU governments should raise their defence budgets to at least 2.5 per cent of GDP (the British and French levels), and they should ensure that a third of the budget is spent on procurement and R&D. Many EU countries need to invest in equipment that Europe lacks, such as transport planes, secure communications systems and satellite-guided bombs. But they also need to invest in professional forces that can be deployed to a distant crisis at short notice. A new EU agency should put pressure on governments to fulfil their promises on capabilities, to harmonise military requirements, to co-ordinate their R&D and to align their procurement procedures. The Europeans should be bolder in trying to pool capabilities, for example in air transport.

3. Overhaul the institutions of your foreign policy

The Convention on the Future of Europe has proposed a full-time chairman for the European Council, to speak for Europe at the highest levels, broker compromises and encourage strategic thinking. It has also called for the jobs of the High Representative for foreign policy and the commissioner for external relations to merge. The new EU 'foreign minister' would tie together the two sides of EU foreign policy, now located in the Council and the Commission, and chair the meetings of foreign ministers. These

sensible reforms would diminish the role of the six-monthly rotating presidency, which is a third-rate method of representing the Union to other countries, and also make clear that the Commission was not in charge of EU foreign policy. Many small member-states oppose the idea of a European Council chairman, fearing that he or she would weaken the Commission. But they should recognise that, while the Commission has many important roles to play, it cannot take the lead on foreign policy; and that in a 25-country EU, the European Council will not be able to lead the Union without a full-time chairman. The EU should also go further than the Convention's proposals by extending the use of majority voting in foreign policy. All these changes would make it easier for Europe to act strategically and to be a more effective partner for the US.

4. Stabilise the 'arc of instability' that runs around your eastern and southern flanks

The EU needs to build closer links with the countries that will soon become its neighbours, to help them to develop in peaceful and prosperous ways. A Union that can counter threats of economic and political instability in its neighbourhood would win plaudits in Washington. The Commission proposal for the EU to agree an 'action plan' with each neighbour is a good one. These plans should focus on aligning the neighbours' legislation with that of the EU; helping to train their police forces and border guards; and holding out the prospect of participation in EU programmes in areas like research, the environment and education. For the more prosperous neighbours, membership of the European Economic Area – in essence, the single market – should be on the agenda. But this neighbourhood policy will not succeed unless the EU is prepared to use sticks as well as carrots. The action plans should set out political and economic benchmarks, and make explicit that the neighbours will not receive trade privileges and financial assistance unless they meet those targets.

5. Work hard to overcome the division between 'New' and 'Old' Europe

All EU governments should refrain from provocative actions that widen the fissures, like signing letters, trading insults and holding divisive summits. Britain, France and Germany, the member-states with the greatest diplomatic and military clout, have a special responsibility to give a lead in restoring European unity, and in particular to develop a common approach on how to deal with the US. They should consult more often *à trois*, informally, on the big strategic questions. When they cannot agree they should discuss how to limit the damage. The new European Council chairman, or the new EU foreign minister, should attend such meetings to remind the big three of the other viewpoints and to keep the smaller countries informed. At some of these meetings it may be appropriate for the other large countries – Italy, Poland and Spain – to take part. If the larger countries are able to reach a common position on strategic questions, the other member-states are likely to follow.

For both Europeans and Americans:

1. Insulate the management of the global economy from arguments on security issues

A successful Doha trade round requires political leaders to avoid provocations and resist sectoral lobbying – whether from French farmers who oppose reforms to the Common Agricultural Policy, or from US drug companies which oppose relaxing intellectual property rules for developing countries. Governments on both sides of the Atlantic should put their arguments over Iraq behind them, and remember that a successful trade round would bring higher growth for all countries, especially the poorest ones. The world's richer countries need to work together to increase the resources that are available for boosting economic development, alleviating the ravages of disease and improving governance in the poorer states. Such efforts would not only bring humanitarian benefits, but also help to revive economic growth and enhance

global security. The rich countries also need to find new ways of addressing the growing problem of global warming.

2. Work out a common approach to Iran

Iran may become the next big crisis in transatlantic relations. Europeans and Americans need to forge a common strategy – and they should involve the Russians, too, because of their close ties to Iran. They should urge Iran to respect human rights better, cease to support terror groups, and resist the temptation to destabilise Iraq and Afghanistan. Iran should sign the Nuclear Non-Proliferation Treaty's 'additional protocol', which would subject it to more intrusive inspections from the International Atomic Energy Authority. Washington should stop trying to force the Europeans to isolate Iran. But in return the Europeans should make clear that their 'conditional engagement' really is conditional: if Iran presses ahead with its nuclear weapons programme, they should cut political and commercial ties. If the Europeans (and the Russians) are not prepared to get tough with Iran, the Washington hawks are more likely to pursue a policy of regime change on their own.

3. Reach an understanding on weapons of mass destruction

The Europeans have made a promising start in their effort to draw up a common security strategy. If they can align their views on the nature of new security threats and on how to deal with them, they will be less likely to fall out as they did over Iraq. A common EU strategy requires the more pacifist member-states to accept that, in the last resort, force may have to be used against weapons of mass destruction (WMD). The Europeans should offer more cash for dealing with the problem of Russia's nuclear weapons facilities; support tougher sanctions against countries that allow proliferation; and, when there is a convincing case for pre-emptive action, join the US in military missions to destroy WMD. For their part the Americans need to accept that many arms control treaties

can be useful, and sign up to more of them (including the Comprehensive Test Ban Treaty). Europeans and Americans should also push for the UNSC to authorise the boarding of ships and planes that are suspected of carrying WMD.

4. Discuss the principles of intervention

The Europeans remain attached to the principle that military intervention requires some kind of legal justification. But ever since September 11th the Americans have become less fussy about international law, when faced with the apparent threat of terrorism or WMD. This divide could destabilise transatlantic relations again and again, as it did over Iraq. European and American leaders should meet in an informal setting to discuss whether – given the challenges of terrorism, WMD and violations of human rights – the rules of international law on the legitimacy of military action need re-examination. They might not agree, but it would be useful if they understood each other better. In the long run, Europeans and Americans could aspire to develop a common approach, and even to draw up guidelines to govern such interventions. This will not be feasible unless some Europeans become more willing to accept the possible need to resort to force; and unless some Americans accept that interventions require legitimation.

Britain and France

The Europeans will not succeed in developing common foreign and security policies unless France becomes less instinctively anti-American, and Britain less unconditionally pro-American.

France should:

- ★ **Oppose the US on big issues rather than small ones.** If the Americans want to start a war of which France disapproves, France should of course oppose it. But France has tended to

oppose the US on relatively minor security issues, such as when it blocked NATO aid for Turkey in January and February 2003. France's prickly behaviour over many years has annoyed its allies and deepened the well of anti-French sentiment in the US.

- ★ **Use a different kind of language.** If Jacques Chirac talked more about partnership and working together to solve common problems, he would disarm many of his critics in Washington. In particular, he should avoid talking about the need for a 'multipolar' world. Multipolar is a word which divides Europeans, while multilateral is a word which brings them together.
- ★ **Avoid actions which divide Europe.** Chirac should abandon whatever plans he may have for the establishment of a 'core' Europe. If Chirac tried to lead a mini-Europe, built around the six founding members, he would by definition be unable to lead Europe as a whole. And so long as core Europe had an anti-American flavour, most EU countries would shun and oppose it.
- ★ **Learn to make friends in Central and Eastern Europe.** France cannot aspire to lead Europe unless it improves relations with the Central and East Europeans. France's leaders need to accept the reality that eight Central and East European states – with many votes in the Council of Ministers – will soon be members. They will not want to be allies of a France that is hostile to the US.

Britain should:

- ★ **Be less uncritical and unconditional in its support of the US.** Tony Blair has been reluctant to criticise the US in public, on the grounds that he has more influence if he is publicly supportive. That is surely correct. But many people on the continent, and not only in 'Old Europe', doubt that Blair and

Britain are fully committed to the EU and its objectives. Blair needs to do more to demonstrate his European credentials. He will have to take some moderate risks in his relationship with George Bush.

- ★ **Tell a different story about British foreign policy.** On most of the key foreign policy issues, Britain agrees with its European partners. But Blair and his ministers seldom make speeches that highlight this truth. They need to spell out that the UK is with its European partners on the Balkans, Israel-Palestine, the International Criminal Court, the Kyoto protocol and so on. On some of these issues they will need to stress that the UK/European line is different to that of the US.
- ★ **Avoid actions that risk dividing Europe.** The ‘letter of eight’, which Britain signed, aggravated the rift between New Europe and Old Europe. And at the time of the Iraq war some ministers’ attacks on the French were over-the-top and unhelpful.
- ★ **Demonstrate that Britain is enthusiastically committed to the ESDP.** Blair needs to convince his European partners that he is faithful to the objectives of the St Malo summit, which include an EU that can run autonomous military missions. British support for the ESDP needs to be more unequivocal, constant and public. That is the best way of dissuading other governments from divisive initiatives such as April’s four-nation defence summit.

The French and the British should jointly back the idea of a stronger Europe, that is usually supportive of US policies; but a Europe which can act autonomously, and which on matters of vital importance is capable of opposing the US. If the British and the French could accept that compromise, the other Europeans probably would too.

1 Introduction

Shortly after the tragedy of September 11th, Tony Blair said that “the kaleidoscope has been shaken, the pieces are in flux and soon they will settle again. Before they do, let us re-order this world around us.”¹ Remarkably, when the pieces did settle the results seemed positive: the US was in some ways keener to engage with the world; the EU member-states stepped up their co-operation on internal security and gave strong support to the US in the fight against international terrorism; President Vladimir Putin aligned Russia firmly with the US and the EU; and there was a new spirit of international economic co-operation, manifest in the agreement to start the Doha round of trade talks.

¹ *Speech to Labour Party Conference, October 2nd 2001.*

However, the war in Iraq and the diplomatic crisis which preceded it shook the kaleidoscope again, and this time the results seemed negative: the US became more unilateral, and in particular more hostile to the UN and the EU; Europe divided into pro- and anti-US camps; Russia lined up with France and Germany to resist American hegemony; and with the world economy facing a severe downturn, the rows over security issues harmed economic co-operation.

In the immediate aftermath of the war, this author, for one, assumed that many of these problems would be short-lived. Surely the governments concerned would understand that they needed to overcome the divisions? But now, writing some months after the end of the war, much of the new strategic geography is starting to look long-lasting. In Washington, London and Paris there is as much talk of punishment and proving the other side wrong as there is of magnanimity and reconciliation.

The divisions left by the Iraq conflict remain, running across the Atlantic and through the European Union. The whole world needs to worry when the western nations (which may be defined as those committed to market economies, representative democracy and pluralistic societies) are divided. This is because many of the most egregious problems – whether terrorism, failed states, the proliferation of weapons of mass destruction (WMD), epidemics, or the trafficking of people and drugs – cannot be tackled unless Europeans and Americans work together constructively.

In the long run, one can expect that, when tempers cool and emotions subside, self-interest will push world leaders to find ways of co-operating on common challenges. By the time of the Evian G-8 summit, and the Washington EU-US summit, both in June 2003, there were signs that the key governments were – at least superficially – making an effort to get along. France, Germany and Russia had voted for United Nations Security Council (UNSC) resolution 1483, authorising the American and British occupation of Iraq. France had backed the idea of NATO taking over the peacekeeping operation in Kabul, and also agreed that NATO should support Polish peacekeepers in Iraq. At Evian, George Bush even found time for a brief meeting with Jacques Chirac, the French president (though not with Gerhard Schröder, the German chancellor). And at the EU-US summit American officials praised the surprisingly robust tone of the emerging EU security strategy.

Behind the scenes, however, relations between the camps which opposed each other on Iraq remain fraught. And they may worsen. The conflict between Israelis and Palestinians is still combustible, and liable to set Europeans and Americans against each other. Iran may become a serious source of transatlantic tension. Furthermore, the Iraq war has highlighted the differences of principle which divide Europeans from each other and from Americans: if a country is suspected of harbouring dangerous weapons, in what circumstances is military intervention justified? And what should be the role of the UN or other organisations in

legitimising such interventions? Meanwhile these arguments over security issues have spilled over into the management of the global economy, making it harder to resolve the growing number of transatlantic economic disputes.

The divisions within Europe cannot be separated from those which cross the Atlantic. In April 2003, in the middle of the war in Iraq, a senior figure in the Bush administration caused a stir at a Washington seminar that brought together European and American officials and think-tank people. Although one of the moderate multilateralists in the administration, he questioned the very concept of Europe. “Europe is no longer a geopolitical construct, it is disaggregating, for enlargement has diluted Europe,” he said. “The division between ‘New’ and ‘Old’ Europe is not meaningless, for the issue of how to cope with the US is pretty significant.”

When asked whether the US no longer supported European integration, the official replied that if a stronger Europe limited the freedom of some EU members to work with the US, the administration would have to oppose that kind of Europe. “I don’t wake up in the morning thinking ‘how can I promote European integration?’.” He then said that “a NATO with 26 members can’t do anything serious: we will need to act differently, in new ways, with coalitions of the willing. Now that there are no concerted threats like the USSR, alliances are not suitable for a period in which military action has become ‘discretionary’.”

Some people in Washington – and indeed in London, Paris, Berlin and Moscow – find the new strategic alignments tolerable or even desirable. However, this book argues that many recent shifts are undesirable, and that the pieces of the kaleidoscope should not be allowed to settle in their current pattern.

If American and European leaders can summon the will to heal the divisions, they will surely succeed. The Europeans will need to take some of the new security threats more seriously than they have

done. And they will need to improve their own performance – on economic growth, military capabilities and the way they run their foreign policy – so that they become more effective partners for the US. The US is more likely to consult and respect a stronger EU.

² Philip Stephens, *The intelligence furore will prove a footnote in history*, *Financial Times*, June 6th 2003. The Americans will need to learn to listen to and cultivate their allies. The Bush administration needs to work at restoring its ‘soft power’ – the ability to influence events through persuasion rather than coercion. As one commentator asks: “is the president ready to recognise that the success of military force in Iraq came at the expense of a colossal weakening of America’s moral authority?”²

For all their evident flaws, the Europeans still have considerable international clout and are the most like-minded countries that the US is going to be able to work with. Some Americans seem to understand that point:

No nation can build a safer, better world alone. Alliances and multilateral institutions can multiply the strength of freedom-loving nations. The United States is committed to lasting institutions like the United Nations, the World Trade Organisation, the Organisation of American States, and NATO as well as other long-standing alliances. Coalitions of the willing can augment these permanent institutions. In all cases, international obligations are to be taken seriously...There is little of lasting consequence that the United States can accomplish in the world without the sustained co-operation of its allies and friends in Canada and Europe.

Those words are from President Bush’s National Security Strategy, published in September 2002.

The next chapter looks at the causes of the transatlantic chill. The following three chapters offer suggestions to the Americans, the Europeans and then both together on how to warm up the relationship. The final chapter focuses on Franco-British relations – which may seem odd in a study of the divide between Europe and America. However, this author has concluded that until London and Paris learn to reconcile their divergent views on how to cope with US power, transatlantic relations will remain chilled.

2 What went wrong?

Now that I've lived through February and March 2003, I understand how Europe slid to war in August 1914. Events resembled a Greek tragedy, in which leaders follow their passions and beliefs, rather than their interests, to the point of self-destruction.

French official involved in decision-making on Iraq, April 2003.

The deterioration in the health of transatlantic relations since September 11th, 2001 has been extraordinary. Just after the al-Qaeda attacks, the spirit of solidarity which unified the two sides of the Atlantic was palpable. Most Europeans knew that al-Qaeda could have devastated their own cities in just the same way. Many of them thought that the US-led war in Afghanistan was a just war, and that the overthrow of the Taleban made Europe, like the US, a safer place.

Yet even before the diplomatic debacle at the UN in the early months of 2003, the US and Europe had drifted further apart than they had been prior to September 11th. The arguments over steel imports, farm subsidies and US tax rules were similar to the kinds of dispute that have always kept diplomats busy. But the disagreements over questions of foreign and defence policy were more acrimonious than most earlier transatlantic disputes.

On the European side, presidents and prime ministers had become frustrated by the Bush administration's tendency to act without consulting allies (as in the military campaign in Afghanistan); by its reluctance to be constrained by international treaties and organisations (saying no to the Kyoto protocol, the Comprehensive

Test Ban Treaty, the International Criminal Court and the monitoring mechanism of the Biological Weapons Convention); and by its enthusiasm for deploying the hard sort of power, as opposed to the softer sorts (such as peacekeeping, economic aid and other contributions to nation-building).

On the American side, senior figures in the administration had found the Europeans parochial in their world-view, slovenly in their reaction to the threat of WMD, over-indulgent of states that sponsor terrorism, and pathetic in their military capabilities. Some conservative commentators, such as George Will, had even responded to criticisms of America's Middle East policy by claiming that European policies in the region were inherently anti-semitic.

And yet, despite the tensions both across the Atlantic and among Europeans, no ruptures had occurred by the end of 2002. In November the five permanent members of the UN Security Council had backed resolution 1441, which gave Saddam Hussein a last chance to disarm. The resolution stated that if Iraq did not disarm, it would face "serious consequences", which most people took to mean war. Many governments believed that in the last resort France and Russia would not veto a new UNSC resolution that specifically authorised the use of force against Iraq.

Then in the early months of 2003, as American and British forces deployed to the Persian Gulf, the rift across the Atlantic widened – and a new division, between New and Old Europe, opened up. This book is not the place for a detailed analysis of the diplomatic history. But future historians will surely conclude that both personalities and inept diplomacy played a significant role in the downward spiral that culminated in the US going to war with only one significant military partner, Britain.

One does not need sophisticated geopolitical theories to explain the West's divisions, when such colourful and abrasive individuals as Donald Rumsfeld, the US defence secretary, and Jacques Chirac, the

president of France, hold positions of responsibility. Personalities were crucial in at least six key episodes in the early months of 2003.

- ★ For much of January and February, France, Germany, Belgium and Luxembourg prevented NATO from approving military assistance for Turkey, in case of an Iraqi attack. France argued that the provision of such aid would be an acknowledgement that war was inevitable. Chirac's advisers have subsequently explained that France had to stand firm in NATO to convince the Russians and the Germans that it was serious about opposing a rush to war; this piece of French bravura thus cemented the emerging 'triple alliance'. Chirac was personally involved in maintaining the veto in NATO, over-ruling officials who argued for a softer line. In the end Belgium, Germany and Luxembourg dropped their opposition to helping Turkey, and the necessary measures were pushed through the Defence Planning Committee, of which France is not a member, on February 19th. However, the French stance – which seemed 'theological' even to many of those who opposed war in Iraq – did enormous damage. Even the most moderate figures in Washington thought that the blocking of NATO was utterly unreasonable. Some of the hawks in that city, never great fans of NATO, were confirmed in their view that it was becoming a second-order organisation.
- ★ French foreign minister Dominique de Villepin called a meeting of the UN Security Council at foreign minister level, for January 20th, for the purpose of discussing terrorism. American Secretary of State Colin Powell did not want to go to the UN, for he had made other commitments on what is Martin Luther King Day. But Villepin pressed Powell, who finally agreed to attend. Villepin then used a press conference at the UN to launch a strong attack on US policy on Iraq, saying that "today, nothing justifies considering military action". He said France rejected the "adventure" proposed by the US. When asked if France would use its veto, he responded: "Believe me, that in a matter of

principles, we will go all the way to the end.” The humiliated Powell – who had been France’s best friend within the administration – lost credibility with his colleagues and from that moment became an Iraq hawk. Chirac’s advisers now admit that this episode “destabilised” Powell.

- ★ On January 22nd Donald Rumsfeld coined an important phrase at a press conference. “You’re thinking of Europe as Germany and France. I don’t. I think that’s Old Europe,” he said in response to a question on Europe’s opposition to war in Iraq. “If you look at the entire NATO Europe today, the centre of gravity is shifting to the east and there are a lot of new members.” He also said that “the vast numbers of other countries in Europe, they’re not with France and Germany, they’re with the United States”. Rumsfeld was merely stating the truth. But to do so in this way was unwise. For those words produced an extraordinary reaction in France. Rumsfeld’s insult – which he proceeded to repeat on a regular basis – made the

³ Rumsfeld’s comments may have been intended to provoke a French reaction. According to one of his friends, the defence secretary’s attacks on Old Europe were carefully chosen and deliberate. The friend told this author that Rumsfeld knew France would over-react and head down a path of “self-destruction”.

French very angry, much more anti-American and much more anti-East European.³ A few days later he insulted the Germans by comparing their country to dictatorships. He told a congressional committee: “I believe Libya, Cuba and Germany are the ones that have indicated they won’t help [over Iraq] in any respect”.

- ★ On January 30th eight heads of government signed a letter in support of enforcing resolution 1441 – and implicitly, of US policies on Iraq. In addition to Britain, Denmark, Italy, Portugal and Spain, three future members of the EU – the Czech Republic, Hungary and Poland – signed up. A few days later ten other East European countries signed a similar letter that was more explicit in backing the US line. These letters reassured the Americans that not all European governments opposed

them on Iraq. And many Britons were happy to see that their pro-American line had not isolated them in Europe. But the letters had disastrous consequences. Many French people were furious. Their worst fears about EU enlargement were confirmed: the new members would do what the Americans told them rather than follow a European (or French-led) policy. The letters increased anti-Americanism in France and decreased the chances of Chirac softening his hostility to a further UNSC resolution on Iraq. The letters were “proof that that we can’t have a European foreign and security policy in a wider Europe on any issue that the US disagrees with”, according to François Heisbourg, a leading French analyst. “Now we know that an EU of 25 cannot pursue the logic of the preamble of the Treaty of Rome, towards an ever closer union.”⁴ Heisbourg and many others in Paris – and Berlin – now argue that only a smaller ‘core’ Europe can develop a strong foreign and defence policy.

⁴ Debate between Pierre Hassner, François Heisbourg and Pierre Lellouche, *Le Monde*, March 23rd 2003.

- ★ Chirac then vented his anger on the East Europeans. After the Brussels summit of February 17th, he complained that the countries which had signed the letters “had missed a good chance to remain silent”. He said that these countries “have been not very well brought up and are rather unaware of the dangers of lining up too quickly on the American position”. He singled out Bulgaria and Romania for disapproval: “If they had wanted to diminish their chances of entering Europe, they could not have found a better means”. Their behaviour was “a little childish” and “dangerous”, since there was a chance of some countries ratifying enlargement by referendum. This diatribe was hugely damaging to French interests. Public opinion in most of the Central and East European countries had been hostile to the war. But many East Europeans did not like to see their governments patronised and insulted in this way – especially since no one in the French government ever apologised for the outburst.

This made it easier for the governments concerned to sustain their support for the US.

- ★ On March 10th Chirac went on television to announce that he was ready to use France's veto in the UNSC to prevent the passage of any resolution that would give diplomatic cover to a war in Iraq. "My position is that, whatever the circumstances, France will vote no because it considers that this evening there are no grounds for waging war." What shocked America and its allies was the phrase "whatever the circumstances". That implied that even if the UN inspectors found weapons of mass destruction, or Saddam Hussein committed new crimes, France would oppose the US. Until then France's position had appeared to be that the inspectors should be given more time, and that the question of using force in Iraq should be postponed. Chirac's defenders point out that he did say "this evening" – and that therefore he was only promising to veto a resolution at that particular time. They also say that by "circumstances" he means the particular situation in the UNSC at that time. However, Chirac's *hyper-gaffe* made it easier for British ministers to go over the top a few days later in the House of Commons: they exaggerated the role of France in the collapse of UN diplomacy, to limit the number of MPs who would vote against the government.

After those comments by Chirac, there was not much prospect of a diplomatic solution. The alliance of France, Germany and Russia, which with the tacit support of China could wield three vetoes on the UNSC, held strong. Six non-permanent members of the UNSC maintained their refusal to support one side or the

⁵ For an analysis of how Britain's diplomatic machine misread the situation, see Appendix II.

other. Only two members of the Council, Bulgaria and Spain, backed Britain and the US in their increasingly desperate efforts to achieve a second resolution.⁵

Some have suggested that it may have been possible for most of the countries on the UNSC, including France and the US, to agree

to a common line on Iraq. The UNSC might have backed a strategy of inspections for a few more months, at the end of which, if Iraq had not handed over its alleged arsenals, it would face war.⁶

⁶ Heather Grabbe, Charles Grant and Steven Everts, 'Agree on a policy and stick together', *International Herald Tribune*, February 20th 2003.

But with hindsight it seems unlikely that anything could have stopped the inexorable path towards war in the early months of 2003. America's military timetable did not allow for its forces to remain in the region until the onset of the summer heat. And Chirac was not prepared to support a UNSC ultimatum to Iraq, with its implication that, at the end of the prescribed period, war would be virtually automatic. Given the huge differences that separated the US and UK position on the one hand, from that of France, Germany and Russia on the other, the war and the divisions it created were probably inevitable – even if the leaders involved had behaved decently and politely. Nevertheless the insults and diplomatic errors made the chances of a convergence of views negligible. More importantly, all the bloody-mindedness left so much ill-feeling that, once the divisions had opened up, nobody was in a hurry to close them.

Personalities and human error certainly played their part in the disaggregation of the West in the early months of 2003. But the individuals concerned and their rows over Iraq only wreaked such havoc because of the particularly fraught state of transatlantic relations that had arisen by late 2002. And that situation was itself the result of longer-term structural factors that were pulling the two sides apart.

The end of the Cold War removed a common threat that had bound Europeans and Americans to co-operate on security matters. But it also shifted the primary focus of transatlantic co-operation from Europe to other parts of the world. Americans and Europeans tend to have different views on the global agenda. Furthermore, many Americans do not see a strong case for taking European preferences

into account in dealing with extra-European problems – even when the EU does have a unified position, which sometimes it does not.

“They differ on the nature and urgency of the problems to be addressed (the ‘mad men and loose nukes agenda’ versus the ‘dark side of globalisation’),” Steven Everts has written. “And they have even more divergent assessments of what sort of strategy works in dealing with these problems (prioritising ‘hard’ or ‘soft’ security, opting for unilateral action versus multilateral co-operation, and so on).”⁷

⁷ Steven Everts, *Managing the growing divide between Europe and the US*, *International Spectator*, December 2002.

The atrocities of September 11th accentuated these differences in outlook. Americans became very focused on what they called the global war against terrorism. This in turn strengthened the influence of the hardliners in the US administration, and reduced America’s willingness to consult allies. Most Europeans, however, do not feel at war. They fret about what they regard as an American tendency to reduce complex global problems to the neat template of the war against terror. Thus many Europeans criticised President Bush’s famous ‘axis of evil’ speech (of January 2002) for conflating terrorism with weapons proliferation: they see both as serious, but as distinct problems which require different responses.

Few Europeans thought that the fight against al-Qaeda increased the urgency of tackling Saddam Hussein’s regime. But many Americans believed that September 11th made it essential to deal with the threat of so-called rogue states. Americans worried about the indifference of some European governments towards the threat of WMD, and in particular about their relaxed attitude to the prospect of terrorists obtaining such weapons.

However, transatlantic tensions were rising long before terrorism moved up the US agenda. Among the most divisive issues have been: the growing gap in economic performance; the increasing mismatch in military capabilities; the ambitions of the EU in foreign and

defence policy; and disagreements over the Middle East. The next sections of this chapter examine these sources of discord. The final two sections look at first, how George Bush’s words and actions lost the US support in Europe; and second, how – partly because of Bush’s policies – Franco-German co-operation revived.

The economic imbalance between the US and the EU

For the past two decades the US economy has out-performed the EU, and in particular the three largest economies in the eurozone, France, Germany and Italy. From 1980 to 2001 the US economy grew by an average of 3.1 per cent a year, and the EU-15 by 2.2 per cent. Many Europeans like to remind themselves that the US has its own economic problems, such as a current account deficit of 5 per cent of GDP, a budget deficit heading for \$300 billion, and a business model that Enron and other corporate scandals have shown to be flawed. However, these problems have not prevented the growth gap from widening in recent years. One reason is that the federal government, Congress and the Federal Reserve have responded to the economic downturn with fiscal and monetary policies that are designed to boost demand. Meanwhile the European authorities have avoided such activism, and at times appeared complacent. In 2002 the US economy grew by 2.4 per cent, but the EU by only 0.7 per cent.

In employment, too, the US has out-performed the EU. In 2000 75 per cent of the US working age population was in employment, while most European countries scored much lower – 71 per cent in the UK, 67 per cent in Germany, 62 per cent in France and 55 per cent in Italy. Despite a substantial rise in unemployment, from 4 per cent in 2000 to over 6 per cent in mid-2003, the US still out-performs the eurozone, which now has unemployment of 8.7 per cent.

This imbalance has strategic implications, because it affects the psychology of the transatlantic relationship. The Americans believe that they are superior even in economics, the principal area where

the Europeans have succeeded in pooling their interests. This has encouraged triumphalist attitudes and a feeling that the US can go it alone. Europe's sense of economic failure fosters a defensive and sometimes protectionist stance: governments suffering from high unemployment find it harder to liberalise their economies (although the Bush administration has itself pushed ahead with protectionist measures on steel and farm subsidies).

The Europeans know what needs to be fixed: at their Lisbon summit in March 2000 they signed up to a ten-year programme to turn the EU into "the world's most competitive and dynamic knowledge-based economy by 2010". Three years into that programme, there has been progress, for example on energy liberalisation, the creation of a single market for financial services and the ease with which entrepreneurs

⁸ See Alasdair Murray, 'The Lisbon Scorecard III', CER, March 2003. can set up new companies. But much work remains to be done, for example on labour market liberalisation and the reform of under-funded pension systems.⁸

One of the EU's difficulties is that the institutions with which it coordinates economic policy are showing design flaws. The Stability and Growth Pact, which constrains the freedom of national governments to borrow more than 3 per cent of GDP, is insufficiently flexible. If enforced, the pact could lead some governments to run a lower than optimal level of demand. However, several governments, including those of France, Germany and Italy, have more or less ignored the pact's rules. As a result this fiscal framework has lost credibility.

⁹ See Jean-Paul Fitoussi and Jérôme Creel, 'How to reform the European Central Bank', CER, September 2002. In 2003, as Euroland economic growth sputtered out, and the euro rose against the dollar, fewer and fewer economists were prepared to defend the monetary policy of the European Central Bank. For its first three years, the ECB's interest rates were, according to many economists, about right.⁹ But in 2002 and the first half of 2003 the ECB was slow to react to the economic slowdown and the growing risk of deflation. Furthermore, the Bank has done

a poor job of communicating its strategy to the markets. Its official definition of price stability, an inflation rate of "less than 2 per cent" is 'asymmetrical'; with a bias towards inflation of below rather than above 2 per cent, that target could prove to be deflationary. Yet in practice the ECB has generally treated the target as symmetrical, aiming for an inflation rate of close to 2 per cent. In any case the bank's strategy is not clear to many of those who work in the markets.

The ageing of Europe's population also has strategic implications. There are currently 380 million people in the EU and 280 million in the US. After the next round of enlargement the EU will be even more populous, with some 450 million people. The age structures of the two populations are currently similar: the median age of Americans is 35.5 and of Europeans 37.7.

However, the American population is rising fast because of increasing fertility and growing immigration. The current fertility rate (the number of children a woman can expect to bear in her lifetime) is just over 2. Western Europe's fertility rate has dropped to 1.4. Most demographers predict that the US will continue to take in many more immigrants than the EU. The US Census Bureau forecasts that America's population will overtake that of Western Europe (which is defined as the EU-15 plus Iceland, Norway and Switzerland) at some point between 2030 and 2040. According to the Bureau's most extreme scenario, Western Europe would have 360 million people by 2050, but the US – enjoying a fertility rate of more than 2.5 – over 550 million. Assuming that Americans remained about one third richer than Europeans, the American economy would then be twice as large as the EU's – even if the EU has by then taken in many East European countries.

Bill Frey, a University of Michigan demographer, estimates that by 2050 the American median age will be 36.2, and that in the EU 52.7. Europe will have a general problem in promoting economic dynamism with an ageing population, and a particular problem in

¹⁰ *European Commission, 'Economic and financial consequences of ageing populations', European Economy Review, November 2002. The source of the other figures in this paragraph is: The Economist, 'Demography and the West', August 2nd 2002.*

funding its pensions systems. The European Commission has forecast that demographic change will reduce Europe's underlying rate of growth from about 2 per cent now to 1.25 per cent in 2050.¹⁰ According to the US Census Bureau, in 2050 the number of people over 65 will be the equivalent of 60 per cent of the working age population in Western Europe, compared with only 40 per cent in America.

Even if these projections turn out to be only partly true, the Europe of the future will have to be strongly focused on providing an adequate

standard of living for the aged. There is likely to be less money for defence budgets and the instruments of soft power, such as overseas aid. Unless the Europeans can transform their long-term economic performance, any ambitions they have to rival the US as a global force – even in the realm of soft power – will be illusory.

Europeans should also note the changing composition of the American population. According to some projections, by 2050 half of all Americans will not have European ancestors. Given that foreign policies are sometimes based on sentiment, Americans may place an ever greater emphasis on ties to continents other than Europe.

The widening gap in military capabilities

The gap in military power, like that in economic performance, contributes to America's sense of superiority. Throughout the Cold War and the decade which followed it, the ratio of defence spending between NATO's European members and the US was remarkably constant: the Europeans spent about 60 per cent as much as the US. But that has changed in the last three years. The US defence budget rose from \$280 billion in 1999 to close to \$400 billion in 2002, while European spending stayed about the same. So that ratio is now around 40 per cent.

Budgets are only part of the problem, for the Europeans continue to spend too much money on old technologies and large, conscript armies, rather than new technologies and small, mobile forces. The EU countries have about two million men and women in military uniform. But they cannot deploy more than 3 or 4 per cent of them outside the EU at any point in time. The biggest providers of peacekeepers, Britain, France and Germany, are over-stretched and have little spare capacity.

Most European armies lack the new communications technologies that allow the Americans to engage in 'network-centric warfare'. These systems enable a commander to watch on a single screen the deployment of friendly and hostile forces in a battlespace, in real time, and then order precision strikes against enemy targets. American generals complain that it is becoming increasingly difficult to work alongside Europeans. Following Europe's underwhelming performance in the Kosovo air campaign, the Pentagon chose to run the Afghan war on its own terms. US commanders initially spurned offers of military help from NATO allies, although in the end a force of French bombers worked well alongside the US Air Force. And in Iraq the Americans were relieved that they only had to work with the British.

Some of the important gaps in European capabilities are transport aircraft (after ten years on the drawing board, the €20 billion, seven-nation project for the A400M turboprop is at last moving ahead); the ability to suppress enemy air defences through specialist radars and missiles; the ability to rescue allied forces that fall into enemy hands; secure communications between aircraft and the ground; aeroplanes that can monitor an area of conflict and thus provide 'airborne ground surveillance'; 'smart' munitions that can be guided by lasers or satellites; aircraft that can provide mid-air refuelling; and unmanned aerial vehicles.

In fact several European governments are working hard to fill these gaps. In 2002 both the UK and France announced substantial

increases in their defence budgets. But the US is boosting its own spending and capabilities at a much faster rate. The bigger this gap grows, the easier it is for Washington's unilateralists to argue that if and when the US needs the assistance of other countries, it is better off with ad hoc coalitions than long-term alliances.

The EU is changing

For much of the 1990s Europe appeared to be changing more than the US: the EU had plans for a single currency, for enlargement into the eastern half of the continent, and for endless institutional reform, even if nobody was sure about the final destination. Most of these changes were hard for the US to understand, and some of them caused concern in Washington.

The EU has set itself ambitious targets, with the Common Foreign and Security Policy (the CFSP, announced in 1992) and the European Security and Defence Policy (the ESDP, announced in 1999). There have been some real achievements. Javier Solana, the High Representative for the CFSP, earned credit for stitching together peace settlements in Macedonia and Montenegro. And in April 2003 the ESDP took over NATO's small peacekeeping mission in Macedonia.

If the Europeans could get their act together, and run effective foreign and defence policies, they would alarm the hawks in Washington. Some of them – tuning in to French rhetoric – see the EU as a potential strategic rival. Yet the European disarray on Iraq has made the CFSP seem more of a joke than a threat. Europe's problem is not only the serious rift over how to deal with the US. It also suffers from inadequate institutions, which make the CFSP less effective than it would otherwise be. For example the CFSP remains hamstrung by the system of the rotating presidency, whereby a new member-state takes over the leadership of the EU every six months.

Nor does the ESDP have much credibility in Washington, at least for now. A Greek-Turkish argument about EU access to NATO assets

blocked progress on the ESDP for two years (until December 2002), greatly delaying the EU's takeover of the NATO mandate in Macedonia. And the *avant-garde* defence summit of April 2003, attended by the leaders of France, Germany, Belgium and Luxembourg, appeared a provocation to Washington. Their scheme for a European planning staff, distinct from NATO, risked damaging not only that alliance but also the ESDP, which has depended on Franco-British leadership and sought to involve the whole Union.

The imminent enlargement of the Union will make a huge impact on the way the EU works. Its membership is due to rise from 15 countries to 25 in May 2004. The Americans have long championed enlargement, and the infamous letters of eight and ten showed why: many of the East European countries are instinctively Atlanticist. However, enlargement poses huge challenges: the Union will become more complex and diverse, and decision-making will become harder. That is why the EU established a 'Convention on the Future of Europe', which has sparked off a fundamental and necessary debate on how the EU should be organised. The convention completed work on a draft constitution in July 2003. The process of drafting, which coincided with the Iraq crisis, inevitably highlighted the many divisions among European states – as much between large and small, and federalist and inter-governmentalist, as between New and Old Europe.

The new constitution holds out the prospect of some big improvements in the way the EU works – though it is subject to revision by an inter-governmental conference which starts in the autumn of 2003.¹¹ Inevitably, the Convention's handiwork does not please everyone. Some of the governments which fear enlargement *per se* (notably France), and some of those which want a more federal constitution (notably Germany and Belgium), are musing about the creation of a 'core Europe'. Influential thinkers in Berlin and Paris argue that an EU of 25 will not function effectively unless

¹¹ See the CER's Policy Brief: 'The CER guide to the draft EU constitution', July 2003.

¹² *Christoph Bertram and François Heisbourg, 'A new transatlantic relationship', International Herald Tribune, March 18th 2003.*

an *avant-garde* group provides leadership and backbone. The core members should set the pace by integrating more tightly than the others; this inner circle would remain open to other member-states that were willing to join and able to meet the criteria.¹²

Some Americans might welcome the emergence of a Franco-German-led core, since it would keep open the wound between New and Old Europe. But such a core would not be in America's interest, for it would probably have an anti-American rationale. And the US should not assume that most EU countries would shun the core. For if France and Germany gave a lead, in defence or perhaps in other areas such as economic policy-making, many of the others – such as the Netherlands, Italy or Spain – would in the long run think seriously about following. Such countries do not like the idea of a core led by France and Germany, especially if it has anti-American leanings. But they may like even less the thought of exclusion from a new dynamic for European integration.

The Israel-Palestine conflict

At the time of writing (June 2003), the Middle East peace process appears a little less hopeless than it usually does. President Bush has finally published the 'road map', drawn up last autumn by the 'Quartet' – Colin Powell, the UN's Kofi Annan, the EU's Javier Solana and Russia's Igor Ivanov. Ariel Sharon's government has accepted this plan, which provides for the establishment of a Palestinian state by 2005, albeit grudgingly. And President Bush has invested his personal capital in the peace process by flying to Egypt and Jordan to meet moderate Arab leaders, Palestinian Prime Minister Mahmoud Abbas, and Sharon. President Bush has promised to put as much energy into this peace process as Tony Blair has done in Northern Ireland.

However, the Middle East retains the potential to create huge rifts in transatlantic relations. The failure of the peace process over the past three years has already created much ill-feeling between Europeans

and Americans. Most Europeans believe that the US has not been fair in its dealings with the two sides. It has ostracised Yasser Arafat but treated Ariel Sharon with kid gloves. Europeans point to President Bush's refusal to publish the road map for over six months, apparently because of Israeli lobbying, as proof of his bias. They recall Donald Rumsfeld talking about the "so-called occupied territories" in August 2002. They believe that the Sharon government's aggressive response to the suicide bombings has weakened the moderates within the Palestinian leadership, and that the US has not tried hard enough to constrain Sharon's military actions.

Meanwhile, many Americans have supported Sharon in his refusal to negotiate with the Palestinians, so long as Israel remains the victim of suicide bombings. They regard the Europeans – and especially their media – as biased against Israel. Some Americans point to European newspapers describing the Israeli intervention in the Jenin refugee camp in April 2002 as a "massacre", when in fact 'only' 75 to 90 died (according to Human Rights Watch, an NGO). They are suspicious of EU funding of the Palestinian Authority and do not understand residual European sympathy for Arafat, given his (apparent) support for suicide bombings. As for Tony Blair's persistent pleading with George Bush to press ahead with the road map, many hard-liners in Washington put this down to "domestic politics" and his apparent need to placate the pro-Palestinian Labour Party.

Even pro-American European leaders such as Blair have found the Bush administration frustrating to deal with on the Middle East, partly because of its internal divisions. The State Department would have been happy to publish the road map in the autumn of 2003. But the Pentagon and the Office of the Vice President have worked against the State Department, tacitly supporting Sharon's critique of the peace plan.

For now, the Europeans are united on the Middle East peace process. The British, French, German and other EU governments have very similar views on what needs to happen. That commonality

¹³ *The Pew Research Centre, 'Views of a changing world 2003', June 2003.* extends to public opinion, which feels much sympathy for the Palestinian plight. On no other foreign policy issue is there such a clear divide between American and European public opinion. A survey of 16,000 people in 21 countries, carried out in May 2003, showed that in 20 of them – the US being the exception – pluralities or majorities believe the US favours Israel over the Palestinians too much (even 47 per cent of Israelis believe that the US favours Israel too much, against 38 per cent who think its policy fair and 11 per cent who think it favours the Palestinians too much).¹³ Another survey found that while 72 per cent of Europeans favour a Palestinian state, only 40 per cent of Americans want one.¹⁴

¹⁴ *'Wordviews 2000: comparing American and European opinion on foreign policy', Chicago Council on Foreign Relations and German Marshall Fund of the US, 2002.* This divide in public opinion is potentially dangerous for transatlantic relations. For the more that public opinion influences foreign policy, the harder it becomes for senior politicians in the EU and the US to maintain a common line on Israel-Palestine. There were some striking examples in April 2002: the European Parliament passed non-binding motions that called for sanctions against Israel, while Israel's friends in Congress forced

George Bush to back down, after he had told Sharon to withdraw Israeli forces from Palestinian lands "without delay".

Leaving aside public opinion, if the current efforts to kick-start the peace process achieve little, rifts are likely to open up between the US and European governments – and perhaps among the Europeans. For the Europeans would call on the US to apply heavy pressure on Sharon. If the US declined to do so, some European politicians would probably make public criticisms of US policy. Some might even call for a separate European plan, despite the fact that no peace deal is possible without the US in the lead. Others might argue that the best way to influence Washington is to continue a policy of backing the US in public. And that could well open a new intra-European divide.

The decline of American soft power

Both sides of the Atlantic have been evolving in ways that the other side neither understands nor appreciates. In the 1990s the US political system seemed to be more stable than that of the EU, despite European complaints about America's growing 'unilateralism'. Only with the election of George W Bush did the Europeans start to understand that the US was becoming a very different kind of country. The emergence of a more strident, nationalist America has in turn provoked varying reactions in Europe, and new divisions among the Europeans over how to deal with the US.

Robert Kagan completed his provocative and stimulating 'Paradise and Power' shortly before the Iraq war.¹⁵ He is right that Europeans and Americans are becoming more different. This is a long-term trend, stretching back over decades, and would be evident even if George Bush was not president. Much of this estrangement stems from different approaches to power: the Americans have lots of military power and are therefore willing to use it, while the Europeans, who have much less, prefer to achieve their objectives through negotiation and multilateral institutions. European governments have transferred sovereignty to the EU institutions and therefore expect the Americans to do the same to global institutions; but the US can wield so much power on its own that it often sees little benefit in allowing international bodies to constrain its freedom to act.

What is missing in Kagan's argument is an analysis of 'soft power'. When Kagan writes about power he means the hard sort – the ability to deploy and use armed force. Soft power may be defined as a country's ability to influence events through persuasion and attraction, rather than military or financial coercion. A country has more soft power if its culture, values and institutions incite admiration and respect in other parts of the world; and if its diplomacy and standing in international bodies enable it to build alliances.

Many of the senior figures close to President Bush are experts on hard power. The US currently spends 16 times as much on its armed forces as on the State Department and the US Agency for International Development combined. This does not do much for transatlantic relations since American soft power appeals to Europeans more than its hard power. Europeans are more likely to follow the lead of an administration that shows it values allies, that uses convincing arguments and that practises patient diplomacy. But under the Bush presidency, as the US has increased its investment in hard power, its soft power has waned and its relations with Europe have worsened.

¹⁶ Joseph Nye, *The paradox of American power: why the world's only super-power cannot go it alone*, OUP, 2002.

Joseph Nye, Dean of the Kennedy School of Government at Harvard, has written extensively on soft power. His last book, published shortly after September 11th, carried a stark warning for the Bush administration: "Any retreat to a traditional policy focus on unipolarity, hegemony, sovereignty and unilateralism will fail to produce the right outcomes, and its accompanying arrogance will erode the soft power that is often part of the solution."¹⁶

That warning was prescient. After September 11th virtually the whole world was united in its sympathy and support for the US. Yet in the early months of 2003, American diplomacy could not persuade more than three of the 14 other members of the UN Security Council to back a resolution that would legitimise military action in Iraq. Neither longstanding US allies such as Chile, Germany, Mexico and Pakistan, nor newer ones such as Russia, would speak out for the resolution. Then another ally, Turkey, refused to allow US troops to enter Iraq from its territory. Even Canada criticised the war in Iraq. Only Britain sent significant numbers of soldiers to fight alongside the Americans. Hatred of America in the Arab world reached new levels. And in every West European country – including Britain – opinion polls showed that George Bush was seen as a greater threat to world peace than Saddam Hussein.

The Pew Research Centre polls have highlighted America's unpopularity. Positive views of the US declined starkly in European and Muslim countries between the summer of 2002 and March 2003, although in Europe they had improved a little by May. In Turkey 30 per cent had a positive view of the US in summer 2002, but only 15 per cent in May 2003. Over the same period the share in France went from 63 per cent to 43 per cent; in Germany from 61 per cent to 45 per cent; and in Spain from 50 per cent (in 2000) to 38 per cent. However, in some countries support for the US remained at higher levels. From summer 2002 to May 2003 the Italian figure fell from 70 per cent to 60 per cent, and the British figure from 75 per cent to 70 per cent. Negative views of the US among Muslims, which had been largely confined to countries in the Middle East, have spread. Since the summer of 2002, favourable ratings for the US have fallen from 61 per cent to 15 per cent in Indonesia, and from 71 per cent to 38 per cent in Nigeria.¹⁷

¹⁷ The Pew Research Centre, *Views of a changing world 2003*, June 2003. This survey shows that the bad feelings towards the US in France and Germany are mutual. From February 2002 to May 2003, the percentage of Americans with a favourable view of France fell from 79 to 29, and of Germany from 83 to 44.

The decline of America's reputation has many causes. Arrogant behaviour and contempt for international organisations have played their part. Many countries withheld diplomatic support from the US during the build-up to the Iraq war because of pent up frustrations with American behaviour over the previous two years, rather than because of the issue of Iraq itself. A whole series of decisions – from abandoning the Kyoto protocol, to rejecting the International Criminal Court, to opposing a range of arms control treaties, to the fighting of the Afghan war on a unilateral basis – have damaged America's standing with its allies. The president's style did not help. Phrases such as the "axis of evil", or "you are either with us or with the terrorists", while evidently effective at home, went down badly with other countries.

Many Americans underestimate the impact on European opinion of the camp at Guantanamo Bay in Cuba, where more than 650

prisoners have been held since the war in Afghanistan. These prisoners are beyond the reach of any court, and without access to lawyers or consular officials. They have not been charged but face the long-term prospect of trial by a secret military tribunal that may impose a death sentence. Rumsfeld has said they will be held until they pose no further threat, until their interrogators are convinced they have no further useful intelligence to offer, and until the administration has decided not to charge them. But as *The Economist* – a paper which is generally sympathetic to the Bush administration – has observed:

This claim that America is free to do whatever it wishes with the Guantanamo prisoners is unworthy of a nation which has cherished the rule of law from its very birth, and represents a more extreme approach than it has taken even during periods of all-out war. It has alienated many other governments at a time when the effort to defeat terrorism requires more international co-operation in law enforcement than ever before. America's casual brushing aside of the Geneva Conventions, which require at least a review of each prisoner's status by an independent tribunal, made America's invocation of these same conventions on behalf of its own

¹⁸ *The Economist*, soldiers during the recent Iraq conflict sound May 10th 2002. hypocritical.¹⁸

Unmoved by the criticism of its allies, the administration announced in July 2003 that six of the captives – including two Britons – would soon face a tribunal.

The administration's grudging attitude towards the UN – stating that if the UNSC did not pass the second resolution, the US would go to war anyway – made it harder for American diplomacy to garner diplomatic support on Iraq. The first President Bush had devoted a huge amount of time and energy to building an international coalition before he attacked Iraq. But neither the current president nor his senior officials thought fit to spend much

time travelling in pursuit of a broad alliance. During the 1990s the US Secretary of State typically travelled to Europe once a month, but in 2002 Powell went only three times.¹⁹

¹⁹ Ivo Daalder, 'The end of Atlanticism', *Survival*, Summer 2003.

As war with Iraq approached, US leaders failed to make a convincing case that Saddam's regime was a clear and present danger. They shifted their objectives from regime change to scrapping WMD and back again. Some of the 'neo-conservatives' within the administration talked about using the overthrow of Saddam to promote democracy across the entire region. Some Europeans were genuinely unsure of America's war aims, which made them reluctant to join the coalition.

The revival of Franco-German co-operation

Many Europeans reacted badly to the Bush administration's foreign policy. Within the EU, there have always been two theories about the Common Foreign and Security Policy. The French have long wanted a strong CSFP that is capable of standing up to the US. They have argued that the long-term goal should be partnership with the US, but that the EU can only achieve respect in Washington by being prepared to oppose US policies. Chirac has argued that a 'unipolar' world, dominated by the US, is unhealthy, and that other powers, such as the EU, Russia, China and India, need to balance US power and encourage the Americans to work multilaterally.

The British have seen the CFSP as a means of turning the EU into a more useful partner to the US, when it seeks to sort out the world's problems. They believe that European and American interests are often coincidental, and that public criticism of the US will be counter-productive. Furthermore, some senior figures in the government think that on matters of war and peace the Europeans should normally follow a US lead. They argue that, since the US is a benign power, a unipolar world – at least on questions of security – is not such a problem.

In the 1990s most Europeans followed a British rather than a French view of CSFP. But that began to change during the administration of George W Bush. President Chirac, freed of the constraints of *cohabitation* after his election victories in May and June 2002, decided to redefine French foreign policy in a more Gaullist manner.

Meanwhile in Berlin there was growing sympathy for the French conception of Europe's role in the world. The new generation of SPD leaders, including Schröder, lacked the instinctive Atlanticism of their predecessors. And the 16 million East Germans, more anti-American than those brought up in West Germany, reinforced what had been a strongly pacifist strain in German foreign policy, ever since the Second World War. Schröder's anti-American rhetoric during the 2002 election campaign was not purely opportunistic. It was also an expression of the annoyance and frustration that Germany's leadership felt towards the increasingly hawkish noises coming out of Washington.

Chirac exploited this shift in Germany's world-view brilliantly. He had backed Schröder's rival Edmund Stoiber in the general election. But in October, as soon as Schröder won – with the smallest of majorities, and facing mounting economic problems – Chirac offered a helping hand. He persuaded Schröder to revive the Franco-German alliance, which had been more or less moribund since Chirac's election in 1995.

Chirac's wooing came just at the moment when Schröder understood that Bush was not going to forgive him for playing on anti-American sentiments in his election campaign. And at the same time Schröder was realising that – despite his good personal relationship with Blair – Britain was becoming less and less viable as a serious partner for Germany. Britain's strong support for the US line on Iraq, plus the decreasing probability that it would join the euro in the near future, made many Germans question its commitment to Europe.

So Schröder responded to Chirac. The first sign of this renewed friendship was an agreement to postpone significant reform of the EU's farm policy – a deal which wrong-footed Tony Blair at the Brussels summit in October 2002. Subsequently there were joint Franco-German papers on the future of European defence, and on the EU's institutional structure. By January Chirac and Schröder were working actively to oppose US policies on Iraq, and in particular to prevent Blair from obtaining the follow-up UNSC cover that he – rather than Bush – so desperately needed.

On January 22nd Jacques Chirac and Gerhard Schröder – together with their entire cabinets and parliaments – celebrated the 40th anniversary of the Elysée treaty at Versailles. At their press conference, Chirac made it clear that Germany was no longer on its own on Iraq. “War is always an admission of defeat...everything must be done to avoid it,” he said. “For 40 years, each decisive step was taken in Europe thanks to the motor that France and Germany represent.” Chirac and Schröder did not say that they spoke for Europe on Iraq – but as far as the British and Spaniards were concerned, they implied that they did.

Within the next few days, Chirac and Schröder broadened their anti-war front to include Russia. On February 10th Vladimir Putin arrived in Paris to see Chirac, having just visited Schröder. Putin declared that the three countries were against war in Iraq. On March 5th the foreign ministers of the same three countries gathered in Paris. Villepin announced on their behalf that “we will not at this time let a proposed resolution pass that would authorise the use of force.” The three governments felt strength in numbers. Each of them had had doubts that the other two would stand firm, but they learned to trust each other.

The Russian move surprised the British and the Americans. Blair thought he had a special relationship with Putin. The White House felt sure that at the last moment Vladimir Putin would not dare to endanger his good relations with Bush by threatening a veto. So why

did Russia join France and Germany? The Russian security establishment believed that the relationship with the Americans was too one-sided. The Russians had discarded long-standing foreign policy principles by acquiescing to the US expanding NATO, scrapping the Anti-Ballistic Missile treaty and running military bases in Central Asia – while Russia had got very little in return. Either Putin decided it was time to respect the views of his security establishment, and also – with elections looming – those of his public, which was strongly opposed to a war in Iraq; or he himself felt that Russia was not gaining enough in exchange for being friendly to Bush, and that US power needed to be constrained.

The extension of the Franco-German front to Russia deepened the division of Europe into New and Old. This trio's opposition to the US concerned, annoyed and provoked other European countries – and especially the Central and East Europeans, who tend to become anxious when Germany and Russia form an alliance.

By the time that war began on March 18th, relations between Paris and Berlin on the one hand, and Washington and London on the other, were at an all time low. For example from January onwards there was little communication between the top levels of the British and French governments: neither Blair and Chirac, nor their diplomatic advisers (David Manning and Maurice Gourdault-Montagne), nor Jack Straw and Dominique de Villepin talked seriously. The Blair-Chirac summit at Le Touquet on February 4th appeared to go well – but the two men did not discuss Iraq. Bush had not spoken to Schröder since November 2002 (and at the time of writing the two men had still not had a bilateral conversation). And Bush did not speak to Chirac between early February and mid-April.

Predictably, when soldiers began to die in Iraq, the animosity between the two opposing camps worsened. Anti-French jokes became *de rigueur* in Washington and on Fox TV. Chirac basked in the adulatory support of public opinion in many European and

Arab countries. “We and the Pope have saved the world from a clash of civilisations”, proclaimed Villepin. And British ministers, contemptuous of the French, adopted an increasingly pro-American and eurosceptical tone. By the time that American forces took control of Baghdad on April 8th, the war had shattered the unity of the transatlantic relationship, as well as that of the Europeans themselves.

3 Five recommendations for the Americans

1. Be aware that unilateral actions carry costs

Many Americans must be sick of Europeans whingeing about their 'unilateralism'. But they need to take seriously the view shared by most Europeans and people from other continents, namely that the world is a better place if all countries – including the big ones – make an effort to act within the framework of international law.

There will be occasions when a US administration reckons that a vital national interest requires it to disregard an international agreement, or to work without the UN. But the US should be aware that there is a price to be paid for acting unilaterally. As the previous chapter explained, the more the US behaves in a unilateral manner, the more its soft power diminishes. The consequence of such behaviour is likely to be an increase in anti-American sentiment in other countries; greater difficulty for the US in putting together international coalitions; and a higher chance that other governments will thwart US objectives in international fora.

Since September 11th Americans have felt more insecure and therefore less willing – if faced with what appears to be a real threat – to wait for coalitions to be assembled or resolutions to be passed, before they act. This is a theme which runs through the new US National Security Strategy.

Given the goals of rogue states and terrorists, the US can no longer solely rely on a reactive posture as we have in the past. The inability to deter a potential attacker, the immediacy of today's threats, and the magnitude of potential harm that

could be caused by our adversaries' choice of weapons, do not permit that option. We cannot let our enemies strike first...The greater the threat, the greater is the risk of inaction – and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to

²⁰ *The National Security Strategy of the USA*, September 2002. the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act pre-emptively.²⁰

The assertion that the US might need to take pre-emptive action against a serious threat was not in itself new or shocking; any government would want to reserve that right. But the Europeans were worried by the reference to “anticipatory” action against a potential, rather than an imminent threat. Who judges what is a serious threat? Could some countries be tempted to use the doctrine of pre-emption as an excuse to launch wars of their own? The document's failure to address such questions, combined with the scarcity of references to NATO and coalition warfare (with the EU picking up just one mention in 31 pages), concerned many Europeans.

The Department of Defense has been particularly hostile to international treaties since the Bush administration took office. For example, not satisfied with America's absence from the International Criminal Court, the department has applied strong pressure to East European countries to sign bilateral agreements with the US, stating that they would never hand over Americans to the court. In early July 2003 the US told 35 countries that they would lose military aid for failing to sign bilateral agreements. Those punished included Bulgaria, Estonia, Latvia, Lithuania, Slovakia and Slovenia – all countries which had given strong diplomatic backing to the US during the Iraq conflict.

The State Department, in contrast, has a multilateralist bent. And there were moments in 2002 when the whole administration seemed to appreciate the benefits of alliances. For example, by the time of NATO's Prague summit in November, America's allies had been reassured that

the administration cared about the future of the alliance. Indeed, the National Security Council thought up the new NATO Response Force, approved at the Prague summit, as a way of making it easier for the Pentagon to take up European offers of military support.

But the diplomatic debacle of early 2003 set back the cause of multilateralists in the US. The blocking of NATO aid for Turkey confirmed the hawks in their view that the alliance had little relevance. Tony Blair's desperate attempt to achieve a further UNSC resolution on Iraq meant that Bush had to go down a multilateral route he would have rather avoided, and led to a humiliating failure for both of them. As a result, an ideological hostility to the UN now resonates through the Bush administration. Bush is unlikely to give the UNSC another chance to rule on serious questions of war and peace.

Thankfully, multilateralism is far from extinct in Washington. The administration currently prefers to deal with North Korea not bilaterally, but together with China and South Korea. And it is trying to tackle the problem of Iran's nuclear weapons in a UN framework. However, the US will need to show a more sustained commitment to working with allies, to playing a constructive role at the UN and to respecting international law, if it wants to restore its soft power.

That is not how Washington's unilateralists see it. They argue that America's military prowess, economic power, and unflinching commitment to freedom and justice are attractive qualities which ensure that many countries are willing to follow a US lead. There is some truth in that. Despite the effects of George Bush's foreign policy, America can still draw on huge reserves of soft power. However, Americans need to consider whether they can better achieve their global ambitions through inciting fear as much as admiration; and through coalitions of the willing, as opposed to working within a framework of international organisations and laws.

The fact that the US has failed to persuade other governments to offer more than meagre contributions of peacekeepers for Iraq

suggests that a policy of muscular unilateralism is not always productive. In the future, the US may find its ability to assemble coalitions even further diminished. If the US does go to war against other 'rogue' states, it will probably have to fight alone. The British and others may give diplomatic support to future pre-emptive wars, but they will almost certainly not provide troops.

2. Remember that the style of your diplomacy affects outcomes

The Bush administration's diplomacy – or rather the lack of it – has on several occasions led to results that have damaged US interests. Rumsfeld's attack on Old Europe at the start of the year is not an isolated example. There are also lessons to be learned from the handling of Germany and Turkey.

Chancellor Schröder's anti-American stance in the final weeks of the German election campaign was in part a cynical and populist manoeuvre. However, the US bears some responsibility for the change in German foreign policy. In August Vice President Dick Cheney gave a speech which called for the overthrow of Saddam Hussein. That speech marked a shift of US policy that came out of the blue for Europeans. There was genuine annoyance in Berlin about the lack of consultation. It was only after the speech that Schröder stepped up his criticism of US policies on Iraq – going so far as to warn of a "military adventure".

During visits to the German defence ministry in the first half of 2002, this author was struck by a growing sense of frustration among senior figures: they complained that the Pentagon had not answered letters which offered forces for Afghanistan, and that Pentagon officials were too busy to see them or return calls (even British defence ministry officials tell similar tales).

That does not mean Schröder was wise or justified to let anti-American rhetoric colour his election campaign. However, if the US

had handled a key ally more sensitively, German foreign policy might not have changed in the way that it did. After the election, Schröder sacked his justice minister, who had compared Bush with Hitler, and tried to make peace with Bush. But those efforts were rebuffed. George Bush was so annoyed with the German Chancellor that, from November onwards, he refused to talk to him.

If Bush does not want to speak to another world leader, that is his business. But if he decides to boycott the leader of a country that has been a staunch ally for more than half a century, he should not be surprised to see that leader sinking into the arms of the French and instructing his diplomats to campaign actively against the US, as happened at the UN in January and February 2003. In April Condoleezza Rice, Bush's National Security Adviser, was reported to have said that the US should punish the French, ignore the Germans and restore ties with the Russians. At the same time it was becoming clear that German opposition to the US over Iraq was not a one-off event: people close to Schröder were talking of a fundamental realignment of German foreign policy, to support France in its efforts to resist US hegemony.

The US has also antagonised Europeans by interfering in their relations with Turkey. In the run-up to the EU's Copenhagen summit in December 2002, the US gave strong support for Turkey's bid to become an EU member, calling for negotiations to start in 2003. Most Europeans did not dispute the right of the US to express its views on such a crucial geopolitical question. However, the unsubtle manner in which the US did so damaged Turkey's case. Paul Wolfowitz, Rumsfeld's deputy, made a number of speeches on Turkey's behalf. These were sober and well-argued, listing the benefits that could stem from Turkish entry into the EU. However, Wolfowitz did not mention any of the problems about Turkish membership, such as the role of the Turkish army in politics, the practice of torture in police stations, the imprisonment of peaceful Kurdish-rights activists and the dire state of the economy. If Wolfowitz had acknowledged some of the difficulties and said that

the US would use its influence to help the Turkish government overcome them, his speeches would have made a more positive impact on European opinion.

Even the normally deft Colin Powell got the tone wrong. He sent a letter to European leaders, urging them to give Turkey membership so long as it met some – but not all – of the EU's conditions on human rights. That comment reinforced the concern of European leaders that many senior Americans had little understanding of the nature of the EU, and even less of the situation in Turkey. How would Americans react if the EU proposed that the Mexican government should gain the power to vote on most of the laws that applied to US companies, or that all Mexicans should be free to live and work in the US?

America's diplomatic campaign on Turkey's behalf probably shifted the stance of the German government, which was at that time keen to mend fences with the US. But other governments, such as those of France and the Nordic countries, reacted badly to the US pressure. Some of those who followed the negotiations at Copenhagen reckon that the final conclusion – an EU promise to review Turkey's application in December 2004 – would have been more favourable to the Turks without the US pressure.

America's own relationship with Turkey had problems, too. In early March 2003, the Turkish parliament narrowly refused to authorise an attack on Iraq from Turkish soil. Almost no one in the US had expected this problem, and the Pentagon had to change its war plans. The view in Ankara was that more sensitive US diplomacy might have swung those few extra votes that were needed in the parliament; for example Colin Powell did not visit the country in the period prior to the war. But in Washington there was

²¹ *Interview with CNN Türk, May 6th 2003.* anger over Turkish behaviour. Wolfowitz said on Turkish television in May that he would “like to see a different sort of attitude than I have yet detected...Let's have a Turkey that steps up and says, ‘we made a mistake’.”²¹

Harsh words are not always the best way of restoring relations with a key ally.

Some of America's attempts to punish allies are likely to be counter-productive. For example the Pentagon has targeted the French armed forces by cancelling joint exercises and other sorts of military co-operation. Yet within the French political system it is the armed forces which – much more than the foreign ministry or the Elysée – consistently argue for friendly relations with the US. Such punishments are scarcely going to strengthen the hand of the Atlanticists within the French government. Another example was the US's decision in June 2003 to block a free trade agreement with Egypt. The administration decided to punish Egypt for refusing to join the US in a WTO case against the EU's moratorium on genetically modified foods. The senior figures in the Bush administration should think twice before punishing errant allies, if they want them to cease erring. And they need to travel, listen and consult much more than they have done.

3. Use the reconstruction of Iraq as an opportunity to revive transatlantic co-operation

The US won a great military victory in Iraq – but France, Germany and Russia won an important diplomatic victory, in preventing the passage of a UNSC resolution that would authorise war. Both sides need to be more magnanimous than they have been thus far. The Bush administration has sought to minimise the role of the UN in Iraq. It has also sought to exclude those who opposed the war from involvement in the reconstruction effort. Meanwhile some governments in Old Europe are unwilling to help with rebuilding the country. They watch the US's problems in re-establishing order, and are relaxed about the prospects of an American failure in Iraq.

The passage of a new UNSC resolution on Iraq in May 2003 suggests that the key countries may be prepared to look forward

rather than go on fighting past diplomatic battles. However, the rebuilding of Iraq would be easier if the resolution had specified a larger role for the UN in the country. The resolution allows a UN representative to “assist” in the formation of an Iraqi government. The US should resolve the resolution’s ambiguity in favour of enhancing the role of the UN in the government of Iraq. If the Iraqi people see that the UN rather than the US appoints their government, it will have more of the legitimacy that it requires to exercise authority.

In Afghanistan, Hamed Karzai has found it difficult enough to shake off the impression that he is a US stooge – and he was appointed first by a UN-managed conference in Bonn, and subsequently reappointed by a *loya jirga* that was fairly representative of the various groups that make up Afghan society. The Bush administration should remember that the combination of US-led forces and UN-authorized government has worked relatively well in Bosnia, Kosovo and Afghanistan.

The US has erred in excluding the UN weapons inspectors from Iraq. If WMD are finally found, no one outside the US will trust what American inspectors say. United Nations inspectors need to be involved in the verification of any finds of WMD. Thankfully, UNSC resolution 1483 leaves open the possibility of UN inspectors returning.

The Pentagon has had total charge of Iraq, with Paul Bremer, the head of the Provisional Authority, reporting directly to Donald Rumsfeld. The Pentagon’s management of post-war Iraq seems to have been as inept as its conduct of the war was brilliant. Sooner or later the US will come to appreciate that running and rebuilding Iraq is a very big task, and that it will need all the money and expertise that others are able to contribute. Maintaining US troops in the country is costing \$4 billion a month, according to the Pentagon. In addition, the cost of running the Iraqi government could turn out to be anything from \$17-35 billion a year, depending on the amount spent on reconstruction and the level of oil revenues.

And yet the Bush administration still seems determined to keep the “the axis of weasels” out of the reconstruction of the country. When Alcatel, a French firm, offered to fix the telephone exchanges it had installed, it was told to keep out. The administration should note that France has not only telecom engineers, but also many water and electricity experts with experience of projects in developing countries. And it has far more qualified administrators and policemen who can speak Arabic than the US.

If France, Germany, Russia and others who opposed the war are to take part in rebuilding Iraq, they cannot be excluded from the economic benefits. France and Russia are owed large sums of money by Iraq – even if they choose, as hopefully they will, to write off much of the debt. Their oil companies have outstanding contracts with Iraq which, so long as they are bona fide, should be honoured. And their businesses should not be excluded from construction contracts.

Iraq will require many tens of thousands of international peacekeepers for years to come. American forces will not be able to provide all of them. The Pentagon does not like peacekeeping. That is why there are (at the time of writing) more European than American soldiers in Afghanistan. The Bush administration has cut back on training for peacekeeping operations, as Joseph Nye has pointed out. “It tends to eschew nation-building and has designed a military that is better suited to kick down the door, beat up a dictator and then go home, rather than stay for the harder work of building a democratic polity.”²²

²² Joseph Nye, ‘Ill-suited for empire’, *Washington Post*, May 25th 2003.

So the Americans will need help. But by late June 2003 America’s allies had promised only 19,000 peacekeepers, to add to the existing 160,000 American and British troops. Other countries would be more likely to contribute to a NATO, rather than a US-led force. Furthermore, the Iraqi people would prefer NATO troops to keep order in their country. France has said that it is open to such a mission for NATO.

Recent events have greatly weakened NATO. But if the US puts its weight behind a peacekeeping role for NATO in Iraq, involving troops from France and Germany, it would help to revive the fortunes of a badly wounded organisation. And that would impress

²³ Philip Gordon, 'US must fight for Europe's soul', *Financial Times*, June 2nd 2003. America's allies. As Philip Gordon of the Brookings Institution has written: "Just as the West overcame its divisions in the Balkans only once NATO deployed on the ground, in Iraq we shall remain divided until we have a collective interest in stability and success."²³

4. Be even-handed in the Middle East

Most of the world outside the US and Israel thinks that the US is prepared to be tough on the Palestinians but not on the Sharon government. This perception has a huge impact on America's prestige and reputation, not only in Arab countries but all over the world. Changing this perception will require much more than the president's involvement in a few summit meetings in Egypt and Jordan.

Blair and other European leaders are right to point out that if the US succeeded in advancing the Israel-Palestine peace process, its credibility and reputation in the region would rise. They – and the State Department – believe that, left to his own devices, Sharon is unlikely to offer enough to engage the Palestinians in serious peace talks. And it will be harder for the Palestinian Authority to clamp down on terrorists if Israel has failed to implement the confidence building measures described in the road map. Mahmoud Abbas, the Palestinian prime minister, needs to show his people that non-violent means produce results.

President Bush has to be prepared to be tough with the Sharon, as his father was to an earlier Likud government. He should also recognise – as the State Department certainly does – that the US can achieve more by working with the EU and the other members of the Quartet. In fact the Quartet provides an excellent cover for

US diplomacy in the Middle East. The reality is that a peace settlement will require strong leadership from the US. But US involvement will appear more legitimate if it comes under the aegis of the Quartet. In any case the EU, the UN and Russia can all provide real help. The EU, for example, is the biggest funder of the Palestinian Authority and can therefore exert some leverage over it. Indeed, the EU should extract more political reform from the Palestinians, in return for its €250 million of aid a year.

More generally, Bush needs to think about how he organises his administration. Most countries get along fine with one foreign ministry. Since Bush became president the US has had in effect two foreign ministries. Indeed, one reason why US diplomacy has sometimes appeared weak and hesitant is that it is not clear who speaks for the administration. Nowhere has the competition among foreign ministries been more damaging than in the Middle East. As far as the State Department – and the Europeans – can see, the Pentagon has done everything it can to undermine and marginalise the work of the Quartet.

The president needs to ensure that his administration has one line on the Middle East, preferably the one set out by the State Department. In June 2003 there were some encouraging signs. When Bush travelled to Sharm el-Sheikh and Aqaba, he indicated that Colin Powell and National Security Adviser Condoleezza Rice should remain personally involved in the peace process.

Bush should also tap offers of help from European partners – including the provision of peacekeepers. Any political settlement between Israelis and Palestinians is likely to need ²⁴ Steven Everts, 'The EU and the Middle East: a call for action', *CER*, January 2003. policing by an outside force. As Steven Everts has written, "European pleas for greater US involvement...might carry greater weight if European governments showed they were prepared to support a settlement, not just with money but also with European troops for a NATO-led force."²⁴

The president needs to sustain his interest in the Middle East. If he can maintain a commitment of time and energy, in an even-handed manner, he will disarm his European critics and, more importantly, increase the chances of peace in the region.

5. Don't jiggle the knife in the wound between New and Old Europe

Many people in Washington – and not only the hawks – welcome the split between New Europe and Old Europe. If more than half the governments of Europe are backing the US, they think, surely transatlantic relations are not doing so badly.

However, there are two reasons why the US should not seek to deepen the division among the Europeans. The first is that any such attempt is likely to be futile. Although the European governments were badly divided on Iraq, their continent continues to integrate. Twelve countries – from both New and Old Europe – have already joined the single European currency, and most of the East Europeans will do so in the coming years. The European economies are becoming more intertwined and many of the policies affecting businesses are now decided in Brussels. The EU governments are starting to harmonise their policies on asylum, visas and immigration. And even on foreign policy, much more unites than divides the Europeans: on the Middle East peace process, the importance of the UN, relations with Iran and arms control, New and Old Europe think alike – and somewhat differently from the US. Most of the fundamental interests of New Europeans and Old Europeans are similar, and in the long run – when emotions over Iraq have subsided – they are likely to overcome their divisions.

Furthermore, the EU has many fault lines that have very little to do with backing or opposing America – such as large members against small members, free traders against protectionists, those in and those out of the euro, and federalists against inter-

governmentalists. In the long run the EU members have too many interests in common to let any of these fissures endanger the unity of the whole.

The second reason why the Americans should not jiggle the knife is that, even if US policy succeeded in keeping the wound open, the consequences would be bad for America. For if one group of states supported the US, the opposing group – with real economic and diplomatic clout – would be actively hostile. That would make it harder for the US to win the support of international organisations, without which it cannot tackle many of the most pressing global problems.

The US should also be aware that, in a divided Europe, the UK – America's best friend in the EU – would suffer a loss of influence. Britain cannot achieve its European objectives – such as radical reform of the Common Agricultural Policy, structural economic reform or institutions with the member-states in charge – without the co-operation of the French and the Germans. Conversely, in an EU that has overcome its divisions on how to deal with the US, Britain is likely to be a leading member.

For most of the past half-century, the US has actively promoted the goal of European unity. But the current administration is divided on this subject. The more moderate officials, such as the one quoted in the introduction, are indifferent, while the hawks see a divided Europe as advantageous to the US. Americans should reflect on the history of the past half century, and consider why a whole series of US leaders – from Dean Acheson, to John Foster Dulles, to John F Kennedy, to George Bush Senior, to Bill Clinton have contributed so much to European integration. They did so not out of a naïve idealism but because they understood that a stronger and more united Europe is in America's interests. That policy, of course, was predicated on the assumptions that European values are very close to American values, and that EU and US interests – most of the time – are similar.

Where the Europeans are united – for example in trade policy, competition policy and business regulation – they are much easier to deal with. Thus the conclusion of the Uruguay round of trade liberalisation required the US and the EU to settle their differences; the rest of the world then followed. In the current Doha round the developing countries are more influential, but an EU-US accord is a necessary though not sufficient condition for progress. As for competition policy, although a few of the European Commission's rulings have gone against the wishes of the US government, American businesses are very well aware that they are better off dealing with a single authority than multiple national agencies.

On internal security issues, too, the US has gained from the Europeans working together. The EU's new common arrest warrant will ensure that suspected terrorists who are sought for crimes in one member-state cannot shelter in another. And in June 2003 EU justice and interior ministers approved an extradition agreement with the US – previously the US had only had extradition agreements with some of the member-states. They also approved a second agreement that will make it easier for European and American police officers to request and share information with each other, as well as a third on container security in ports.

Nor can the US argue that common foreign and defence policies – where the Europeans have achieved them – are damaging to its interests. In the Balkans, for example, the Europeans have had common policies for the past ten years. It is thanks to those policies – plus NATO's invaluable peacekeeping role – that the region is now largely peaceful. And it is thanks to the emergence of the ESDP that the US has been able to start unwinding its peacekeeping commitments in the Balkans.

Ultimately, if the EU succeeds in becoming a more effective and coherent international actor, it will be better able to help the US

deal with many global problems. But if the US makes a point of opposing European integration, one consequence will be growing anti-Americanism in Europe. And then many of those who have been New Europeans would become Old Europeans.

4 Five recommendations for the Europeans

1. Adopt new economic policies, to encourage higher growth

The world economy badly needs more growth. In recent years global demand has been over-dependent on the US economy. The Europeans have shirked their responsibilities. They can no longer rely on others to create demand in Europe. The remedies required to deal with Europe's long-term economic under-performance are beyond the scope of this book.²⁵ However, in the short and medium term, EU governments could do much more to improve their continent's meagre growth rate.

²⁵ Forthcoming CER pamphlets by Adair Turner and David Willetts address some of the longer-term issues.

EU governments should push ahead with the 'Lisbon agenda' of economic reform, for example by speeding up the creation of a single market in retail financial services, and the deregulation of road-freight, rail and air travel markets. They also need to grasp the nettles of labour market liberalisation (as the German government is currently trying to do) and of pensions reform (which the French government is busy with). And most important of all, they need to devise educational, regulatory and tax systems that encourage entrepreneurship. Not all these steps would make much of an impact on GDP in the short term, but in the longer run they would help to promote higher growth rates and more sustainable public finances.

The EU would have a better chance of growing fast if it reformed the key institutions of the euro system. The Stability and Growth

Pact is not the main cause of slow growth. Indeed, several of the larger member-states have ignored its strictures. But it may at the margin encourage some governments to apply restrictive fiscal policies, at a time when domestic demand is already very weak. The EU finance ministers accept the need to make the pact more flexible. They insist on keeping the rule that limits deficits to 3 per cent of GDP. But they will soften the rule that governments must balance their books over the medium-term, by taking into account both the economic cycle and borrowing for the purposes of investment. They should go further, and shift the focus of the pact from current deficits to the long-term sustainability of public finances. Countries

²⁶ See Katinka Barysch, 'A Pact for Stability and Growth', CER Policy Brief, May 2003.

with low debt-to-GDP ratios should be allowed to borrow more. Furthermore, the rules should give governments more of an incentive to run surpluses in times of good growth; currently the rules bite only when growth slows and budget deficits hit the 3 per cent ceiling.²⁶

In the spring of 2003 the ECB's reluctance to cut interest rates to counter the economic slowdown was baffling. Apparently recognising the need to improve its performance, in May 2003 the ECB announced some minor changes to the way it conducts monetary policy. Henceforth its inflation target would be "below but close to" rather than simply "below" 2 per cent, which implied a more symmetrical target, and thus one less biased to deflation.

The imminent arrival of Jean-Claude Trichet as president offers a good occasion for the ECB to review its principles and methods in the light of the Union's enlargement. The ECB's inflation target will be too low for many of the accession countries, which are determined to join the euro but, because they are fast-growing, tend to have relatively high rates of inflation. The Bank should revise its inflation target, perhaps to 2.5 per cent, and make it symmetrical. Moreover the ECB needs to look again at the way it sets interest rates. By the time that 25 central bank governors have joined the ECB's governing council, it may become gridlocked.

The ECB has come up with an extremely complex proposal for rotating the membership of its council, which needs to be greatly simplified.²⁷

²⁷ See Jean-Paul Fitoussi and Jérôme Creel, 'How to Reform the European Central Bank', CER, September 2002; and also Katinka Barysch's chapter in 'New Designs for Europe', CER, October 2002.

The Europeans need stronger growth so that they can implement painful reforms, reduce the queues of unemployed and better tackle future demographic challenges. They also need it for their own self-respect, and to gain the respect of the Americans. Furthermore, a strong European foreign and security policy requires economic growth: the instruments of soft and hard power cost money.

2. Enhance your military capabilities

The Europeans will not convince anyone in Washington that they are serious about the ESDP unless they are prepared to spend more money on some of the crucial capabilities they lack. There is no reason for the Europeans to invest in many of the high-tech systems on which the US spends money. For example it is not clear that the Europeans need dozens of military satellites, or stealth aircraft. However, if the Europeans are going to operate alongside US forces they do need secure communications, the ability to fight at night and satellite-guided bombs.

And if they are going to run demanding 'autonomous' missions without relying on NATO they will need to invest in some very basic types of equipment. Consider the British experience of capturing Basra – an operation that was as ambitious as any the EU is likely to manage. The British only just had enough mortar-locating radars, transport helicopters and roll-on roll-off ferries, and yet most other EU countries possess even less of such essential equipment.

All EU governments need to invest more in military capabilities. Officials involved in the EU's 'European capabilities action plan' – a

system of target-setting that is supposed to work through peer-group pressure – claim that 120 out of 144 specified gaps have been filled. Yet some of the remaining gaps are among the most important, such as air-to-air refuelling and transport planes.

The decisions taken at NATO's Prague summit in November 2002 suggest that where the EU has failed to make an impact, the alliance may succeed. Individual governments agreed to take responsibility for the implementation of eight specific capability goals, such as Germany for air transport. Encouragingly, groups of NATO governments signed up to some hard numbers, such as the procurement of 10 to 15 refuelling aircraft, and a 40 per cent increase in the stock of satellite-guided bombs. NATO also decided to develop its own fleet of 'airborne ground surveillance' aircraft, on the model of its AWACS early-warning fleet. Those aircraft, like all the other new capabilities, would be available for NATO or EU missions.

But even if the Europeans bought better hardware, they would still need to develop more effective armed forces. The Prague summit approved the creation of a new NATO Reaction Force, designed to fight alongside American elite forces in dangerous situations. Hopefully this will spur the Europeans to enhance the quality of their own cutting-edge troops. Already, France has completed the professionalisation of its forces, while Spain and Italy are following suit.

The German government, however, has decided to keep a conscript army. A series of reforms to the Bundeswehr has increased the number of 'crisis reaction forces' that are available for operations outside Germany. Germany currently has more troops deployed on peacekeeping missions – about 10,000 – than any other EU country bar the UK. However, Germany needs higher numbers of professional troops that can operate away from home. Constant cuts to its defence budget have damaged the quality of its armed forces.

New equipment and military reform cost money. All EU countries should aspire to spend at least 2.5 per cent of GDP on defence (the British and French levels). They should also agree to spend a third of their defence budgets on procurement and R&D. At the moment, only Britain, Finland, France, Portugal and Sweden satisfy that second criterion.

EU leaders should be bolder in exploring the pooling of capabilities. In areas such as air transport, the maintenance of fighter aircraft, medical facilities and the delivery of supplies, much money could be saved through the creation of pooled operations.²⁸ Such pooling will require small groups of countries to move ahead and show that it can be done. When Germany, France, Belgium and Luxembourg held a defence mini-summit in April 2003, they pledged to create a common air-transport command. If they can muster the determination and the resources to do so, they will deserve congratulation.

²⁸ *Tim Garden and Charles Grant, 'Europe could pack a bigger punch by sharing', Financial Times, December 18th 2002.*

The EU currently lacks any kind of central institution that can promote the ESDP's capabilities goals, and push national governments to fulfil their promises. The Commission would like to play that role but has no defence expertise. In any case many EU governments do not want it to take on new powers. The declaration signed by Blair and Chirac at Le Touquet in February, the four-nation defence summit in April, and the Convention on the Future of Europe have all called for a new agency to promote defence-industrial co-operation and enhanced military capabilities.

As defined in the Blair-Chirac declaration, the new agency would work on harmonising military requirements, co-ordinating defence R&D, and encouraging the convergence of national procurement procedures. It would also "promote multilateral solutions to fill identified capability gaps". This opens the way to the pooling of military assets. For example, if France chooses to build a new aircraft carrier that is similar to those recently ordered by the

Royal Navy, the two countries could pool support operations for the carriers.

3. Overhaul the institutions of your foreign policy

The EU can be a very difficult partner to deal with, because of its slow decision-making, rotating presidency, and multiplicity of spokesmen on external issues. Encouragingly, however, the Convention on the Future of Europe has drawn up a draft constitution that proposes changes which are both radical and sensible.

To some commentators, the constitutional convention is about as useful as rearranging the deckchairs on the sinking Titanic: new institutions cannot achieve much when governments are divided on fundamental issues, as they have been over Iraq. Political will is certainly the most essential ingredient of common EU foreign policies. However, the history of the EU over the past 50 years shows that institutions make a difference. When the member-states fall out, good institutions can hold the Union together and minimise the damage. And when the member-states can muster the political will to achieve results, they will do so more quickly if good institutions are in place.

The European Council, the EU's supreme authority, is becoming increasingly unwieldy and ineffective. The EU's imminent enlargement means that there will soon be 25 leaders around the table. The Convention has proposed a new full-time chairman or president for the European Council, who would speak for Europe at the highest level. It also proposes merging the jobs of the High Representative for foreign policy (currently Javier Solana) and the commissioner for external relations (currently Chris Patten). A single 'foreign minister', with links to the Commission and the Council of Ministers, would represent the EU to the rest of the world and gain the right to make proposals for common foreign policies. This figure would have the support of a 'diplomatic service' consisting of officials from the Council of Ministers, the

Commission and the member-states, plus the Commission's 130-odd overseas representations. He or she would chair the Council of foreign ministers.

One of the many merits of these two new posts is that they would diminish the role of the rotating presidency. However, the Convention's draft constitution has to pass through an inter-governmental conference before it can be ratified and adopted. Every government will try and tweak the text to suit its preferences. For example many of the smaller countries are unhappy with the idea of a European Council president, fearing that it will weaken the Commission, which they regard as the defender of their interests. Given that the constitution offers many improvements on the current treaties – in foreign policy and in other areas – EU governments should resist the temptation to make major changes at the inter-governmental conference.

However, the governments should make one important revision to the Convention's text. They should extend the use of majority voting to foreign policy questions that do not have military implications. In an enlarged EU, there is an increased risk that one or two states could use their vetoes to prevent effective decision-making, even on minor issues. However, no member-state should face the prospect of being out-voted on some vital national interest. The rules should therefore allow any government that considered a vital interest at stake to apply – in EU jargon – an 'emergency brake'. The government concerned would be allowed to wield a veto, but would then have to explain the reasons to the European Council. That would make a government think twice before using a veto on some minor issue.

On defence policy, too, there may be cautious grounds for optimism. After the EU's Copenhagen summit in December 2002, Greece and Turkey removed their vetoes over links between the EU and NATO. Now the EU has assured access to NATO military planners. The EU launched its first military mission in April 2003, when it took responsibility for the small peacekeeping force in

Macedonia. Next year the EU may well take over the more substantial peacekeeping operation in Bosnia. For such Balkan missions, the EU depends on NATO facilities. But in June 2003 the EU launched its first ‘autonomous’ military operation, meaning without any help from NATO: the dispatch of 1,500 French-led peacekeepers (including a British contingent) to Bunia in the Congo.

How much will the four-nation defence initiative of April 2003 weaken the EU’s efforts to strengthen defence at 15, and soon at 25? The answer probably depends on the state of British-French relations. If they remain bad, France may be tempted to press ahead with building a European defence core that excludes the British. If they improve, the future of European defence is likely to depend on British and French leadership, and the four-nation initiative will be forgotten.

Common foreign and defence policies that are better organised and more coherent would give the US a stronger incentive to consult and work with the EU and its member-states. But if the EU’s efforts are badly organised and ineffective, the US would be more likely to work with groups of European countries, rather than the EU as a whole.

4. Stabilise the arc of instability that runs around your eastern and southern flanks

One of the EU’s greatest successes has been the steady stabilisation of the eastern half of the continent. Countries that were Communist only 14 years ago have become genuine democracies that are on the brink of joining the EU. That is a tribute to the success of the EU’s soft power. The Foreign Policy Centre’s Mark Leonard has written:

The US may have changed the regime in Afghanistan, but Europe is changing all of Polish society, from its economic policies and property laws to its treatment of minorities and the

food that is served at its tables. The US reach is shallow and narrow. The lonely superpower can bribe, bully or impose its will almost anywhere in the world – but when its back is turned, its potency wanes. The strength of the EU is broad and deep: upon entering its sphere of influence, countries are changed for ever.²⁹

²⁹ Mark Leonard, *The road to a cool Europa*, *New Statesman*, June 16th 2003.

There is something in that, though geographical proximity makes it relatively easy for the EU to maintain a long-term commitment to its neighbours. And to be fair to the US, it has driven the expansion of NATO, which has reinforced the EU’s enlargement. Now that enlargement is a done deal, one of the EU’s biggest foreign policy challenges is to stabilise the ‘arc of instability’ that runs around its eastern, south-eastern and southern flanks. Belarus, Ukraine, Moldova, Albania, Serbia and Montenegro, Kosovo, Bosnia, Macedonia, Egypt, Libya, Tunisia, Algeria and Morocco are all countries which may become sources of political instability, refugees, organised crime and terrorism.

The EU should take responsibility for its new hinterland. It has not only the means but also a strong interest in steering these countries’ development, while the US lacks a profound strategic interest in many of them. Hitherto, the EU has never delineated its CFSP in geographical terms. In an interesting paper for the Aspen Institute Italia, Marta Dassù and Roberto Menotti argue that the EU should define the scope of the CFSP to include responsibility for what they call Europe’s “rimland”. They urge the EU to declare “a kind of Monroe doctrine” for Europe’s near abroad. But they also acknowledge that Europe has many widespread global interests, despite the fact that its defence capabilities cannot stretch across the globe. So they argue for the EU to pursue those broader interests through international organisations such as the UN and NATO. “In short, a ‘European Europe’ in our neighbourhood, and an ‘Atlantic Europe’ in the world.”³⁰

³⁰ Marta Dassù and Roberto Menotti, *How to repair the transatlantic rift: learning lessons from the Iraq debate*, *Aspen Institute Italia*, May 2003.

Much of this makes sense. The EU should focus on what Dassù and Menotti call its “natural area of influence”. A sense of responsibility for that area could spur the Europeans to enhance their military capabilities. And their proposal could help to reconcile Franco-German believers in EU autonomy with Atlanticist partisans of NATO. But to talk of a European Monroe doctrine sends the wrong signal: some Americans will hear “Yankees keep out”, which is not the right message to send. That said, the US need have no particular fear of the EU taking the lead in dealing with its neighbourhood. For example the Pentagon does not want to keep US troops in the Balkans indefinitely. Dassù and Menotti imply that the US should take the lead in areas beyond the EU’s borderlands. However, given the Americans’ reluctance to send troops to Africa, the EU’s natural sphere of influence should probably extend to that continent.

In practical terms, how should the EU seek to shape its hinterland? The countries concerned will either never join the EU, or join only in the long distant future. That weakens the ability of Brussels to influence them. The EU can more easily make countries on the path to membership, such as Turkey, swallow bitter pills.

Of course, the EU can extract some leverage from the various kinds of ‘association’ or ‘partnership and co-operation’ agreements that it has signed with its neighbours, and from technical assistance programmes such as Phare, Tacis and Meda. But the EU needs to build closer links

³¹ *Communication from the Commission to the Council and the European Parliament: ‘Wider Europe – Neighbourhood: a new framework for relations with our eastern and southern neighbours’, COM (2003) 104 final, March 2003.* with these countries, so that it can encourage them to develop in peaceful and prosperous ways. In a Communication published in March 2003, the Commission suggested that the EU should agree a specific ‘action plan’ with each of its neighbours. These plans would set out targets for the neighbour to aspire to, political and economic benchmarks for it to meet, and the rewards for countries which do well.³¹ The concept is a good one – but what should be the contents of the action plans?

The neighbours should make commitments to align their legislation with that of the EU, in those areas that are vital for cross-border trade, and to protect foreign investment. The EU should provide initiatives and money for fighting corruption, building independent judiciaries and enhancing administrative capacity. The neighbours could aspire to join some EU programmes, for example in areas like research, the environment, culture and education (Israel already takes part in the research programmes). For the more economically advanced neighbours, the EU could hold out the prospect of membership of the European Economic Area – currently consisting of the EU countries plus Iceland, Norway and Liechtenstein – which would in essence mean full participation in the single market.

Co-operation on justice and home affairs could be particularly fruitful. The new neighbours’ police forces and border guards need training and better equipment, while their intelligence and security services may be able to help in the fight against terrorism, organised crime and the trafficking of drugs and people. The EU member-states have a clear interest in spending money on such tasks. In fact the EU is already helping several new neighbours, including Ukraine, to strengthen their border controls.

The EU could do a lot to improve its own image and curb unnecessary inconvenience by making it easier for citizens of these countries to obtain entry visas. The Schengen countries should agree on a common set of procedures for the issuing of visas. It is extraordinary and illogical that they have not yet done so, given that a Schengen visa entitles the holder to travel anywhere in Schengenland – once he or she has entered through the issuing country. There need to be more consulates outside capital cities which are able to issue visas – and the Schengen countries could save money by turning some of them into ‘EU’ rather than national consulates.³²

³² See Judy Batt’s forthcoming CER working paper, ‘The EU’s new borderlands’.

Some neighbours could work with the ESDP, for example in providing peacekeepers for EU-led missions. As for foreign policy,

one idea is to create a ‘council of European foreign ministers’, in which the member-states could discuss matters of common concern with the neighbours. However, such an institution could end up being more about process than substance. Surely Europe has enough councils and assemblies already? Foreign policy is a core competence of the Union, in which all member-states should participate, and which neighbours cannot be part of. So a new council of foreign ministers would be a bad idea. That said, the EU should consult its neighbours on the CFSP, and listen to what they say rather than tell them what to think.

³³ *This and the next two paragraphs draw on the work of my colleague Steven Everts.* The EU’s neighbourhood policy will not succeed unless it is prepared to use sticks as well as carrots. It should make a better job of using its policies on trade and aid to support its political objectives.³³ The action plans should make more explicit the link between, on the one hand, the granting of trade privileges and financial assistance, and on the other, clear commitments from recipient countries to promote political and economic reform. The agreements which define the EU’s ties to its neighbours already contain articles on the respect of human rights, political pluralism and standards of good governance. Armed with these clauses, the EU should be able to steer their political systems in a democratic direction. In practice, however, ultra-cautious member-states are often reluctant to invoke the relevant clauses, perhaps because they worry about damage to their commercial interests. For example France has at various times prevented the EU from getting tough with Algeria and Tunisia, despite those countries’ poor human rights records.

The EU should summon the courage to link a neighbour’s non-compliance with human rights clauses to concrete actions, such as the postponement of new projects, the suspension of high-level contacts, or the use of different channels of delivery – such as independent NGOs rather than government-run bodies. Conversely, countries which perform well should receive extra aid.

Hitherto the EU has imposed sanctions only on the most egregious offenders, such as Belarus (and, in another part of the world, Zimbabwe). The embryonic EU security strategy – a first version of which was approved at the June 2003 Thessaloniki summit – suggests that the EU is becoming more confident about linking the economic and diplomatic sides of its foreign policy.³⁴ The planned merger of the jobs now held by Solana and Patten should make it easier to establish that linkage. An EU that can make a bigger impact on the unstable areas around it will win more respect in Washington.

³⁴ *Javier Solana, ‘A secure Europe in a better world’, Council of Ministers, June 2003, SO138/03.*

5. Work hard to overcome the division between New and Old Europe

The Europeans should develop common foreign policies not out of idealism, but from a cool analysis of their respective national interests. Where they have similar interests, as they do not only in their neighbourhood, but also in many other parts of the world, they will benefit from pooling their resources and pursuing those interests collectively.

Iraq has always been a cancer within the embryonic CFSP, the one area where the EU countries could never agree. Now that the war has cut out that cancer, the member-states should be able to work together on the many issues on which they have similar views. These include the Middle East peace process, where all the Europeans want to see the road map implemented; Iran, with which they want a trade agreement, so long as the government meets certain conditions; the International Criminal Court, which the Europeans support; and a swathe of arms control agreements, such as the Comprehensive Test Ban Treaty. On all these issues, the Europeans have a common view which is different from that of the US administration, or at least parts of it.

Because the Europeans have similar objectives in so many parts of the world, the commonly heard statement that “Iraq shows the EU

will never have a common foreign policy” is foolish. However, it would be equally foolish to predict with certainty that a strong CFSP will emerge. For although Iraq is virtually the only part of the world on which the Europeans have differed significantly, the truth is that much of the rift concerned Europe’s relations with the US rather than Iraq *per se*.

While the French and German governments were genuine in their belief that war in Iraq was unnecessary, they also thought that the time had come to stand up to US power. If NATO and the UN caved in to US pressure on Iraq, they believed, the world would be left with an increasingly arrogant and unbridled hegemon. Similarly, the British government sincerely believed that the war in Iraq was necessary, to remove a regime that was potentially a dangerous threat to world peace. But Blair also thought – like Spain’s José María Aznar and Italy’s Silvio Berlusconi – that because the US had declared Iraq to be an issue of vital national security, America’s allies should support it. These leaders feared that, if the Bush administration was left to deal with Iraq on its own, it would become much more unilateralist and hostile to international institutions.

As already explained, there are two rival philosophies in the EU about how to deal with US power: that of France, which believes that there are times when Europe has to stand up to the US, in order to influence its behaviour; and that of the UK, which believes that a co-operative stance is more likely to achieve results in Washington.

This difference could further deepen the fissure that emerged over the Iraq war. For even when the Europeans agree on the substance of a problem, if the US then ignores European preferences, Britain and France may pursue different tactics. Thus in April 2003, when the US made it clear that it was not prepared to see a major UN role in the running of Iraq, Britain shifted its position some way towards that of the US, and away from its European partners.

A more general factor which may prolong the division between New and Old Europe is the collapse of trust among some of the governments. Blood has been shed, and things have been said which hurt. At the time of writing, for example, there are frosty relations between Paris and London, Paris and Madrid, Paris and Warsaw, Berlin and Warsaw, and Berlin and Madrid. Some of these animosities have spilled over into the media and affected public opinion (with Britain, as usual, winning the prize for having Europe’s most xenophobic popular press).

The Europeans must find ways of narrowing the fissure, or at least building bridges across it, lest it undermine European and thus transatlantic unity. It goes without saying that all European governments should refrain from the kind of provocative actions that make things worse, like signing letters, insulting governments and holding divisive summits. If the Europeans want the wound between New and Old Europe to heal, they will have to make every effort to apply balm, rather than keep scraping off the scab.

Beyond that, the big three European countries should take a lead in trying to work out a common approach to dealing with the US. They need to consult more often on an informal basis, *à trois*, on big strategic questions. In recent years many of the smaller countries have become suspicious of big-power cabals in the EU. In November 2001, Blair tried to hold a dinner in Downing Street with just Chirac and Schröder, but several other leaders crashed what became a ridiculous event. However, given the disastrous consequences of Britain, France and Germany failing to work together in the months before the Iraq war, in future the small countries would probably be more tolerant of some *à trois* meetings. The EU institutions should be represented – through the new EU president or the new ‘foreign minister’ – to remind the big three of others’ viewpoints, and to keep the small countries informed. And at some of these meetings it may be appropriate for Italy, Poland and Spain to take part.

Increased consultations between Blair, Chirac and Schröder – and their staff – could help to defuse potential crises. If they spotted a future issue on which they were likely to differ, they could discuss how to limit the damage, for example by telling ministers and spin doctors not to make inflammatory comments. In practice, if the larger countries are able to reach a common position on a crucial strategic issue, the other member-states are likely to follow. In the House of Commons in March, in a rare moment of self-criticism, Blair more or less admitted that the Europeans should have tried harder to develop a common approach to Iraq:

There is resentment of US predominance. There is fear of US unilateralism. People ask, “Do the US listen to us and our preoccupations?” And there is perhaps a lack of full understanding of US preoccupations after 11 September. I know all this. But the way to deal with it is not rivalry, but partnership. Partners are not servants, but neither are they rivals. What Europe should have said last September to the United States is this: with one voice it should have said, “We understand your strategic anxiety over terrorism and weapons of mass destruction and we will help you meet it. We will mean what we say in any UN resolution we pass and will back it with action if Saddam fails to disarm voluntarily. However, in return” – Europe should have said – “we ask two things of you: that the US should indeed choose the UN path, and you should recognise the fundamental overriding importance of restarting the Middle East peace process, which we will hold you to.” That would have been the right and

³⁵ *House of Commons debate, March 18th 2003.*

responsible way for Europe and America to treat each other as partners, and it is a tragedy that it has not happened. I do not believe that there is any other issue with the same power to reunite the world community than progress on the issues of Israel and Palestine.³⁵

The key to more fruitful meetings of the big three, to a common European approach to the US, to overcoming the rift between New

and Old Europe, and thus to more harmonious transatlantic relations, is a better understanding between London and Paris. That is the subject of the final chapter.

5 Four recommendations for both Europeans and Americans

1. Insulate the management of the global economy from arguments on security issues

Whatever happens in Iraq, Syria, Iran and North Korea, the US and the EU share a common interest in reviving economic growth, alleviating the plight of developing countries and addressing global environmental problems. Indeed, the various continents have never been more interdependent than they are today.

The world economy is now growing more slowly than at any time since the early 1990s. A fruitful WTO round of trade liberalisation would give a boost to growth – both through the removal of trade barriers and the psychological impact of success. The World Bank has estimated that the abolition of all trade barriers would add \$2,800 billion to global output – and that \$1,500 billion of this would go to poor countries.³⁶

³⁶ *The World Bank, 'Global Economic Prospects', 2001.*

But the trade round is stalled. The arguments over Iraq seem to have made trade disputes harder to settle. Shortly before the Iraq war began, Bush was preparing to lift a US veto over an agreement that would relax intellectual property rules. The agreement would allow developing countries to import generic copies of patented drugs, when dealing with health crises such as AIDS. But then Bush found that he had other priorities and the US has continued to block the deal.

On the European side, the stand-off between France and America may have made it harder for Chirac to compromise on the

Commission's attempts to reform the Common Agricultural Policy (CAP): he has not wanted to be seen to give in to Anglo-Saxon pressure. The farm ministers' partial adoption of the Commission's proposals on CAP reform in late June – including the crucial breaking of the link between farmers' output and income – is a significant step in the right direction. But it may not be enough to ensure agreement on agriculture at the WTO Cancun meeting in September 2003.

A good result at Cancun would show that world leaders are prepared to co-operate to sustain an important multilateral institution, the WTO. Yet in their bilateral relations both the EU and the US have engaged in brinkmanship. In May 2003 the EU announced that it was ready to impose \$4 billion of WTO-approved penalties on the Americans, because of their failure to reform an export subsidy regime in line with a WTO ruling. In the same month, and even more unhelpfully, the US announced that it would ask the WTO to rule on the EU's de facto ban on the import of some genetically modified foodstuffs. Bush's provocative and exaggerated comment that this ban was increasing hunger in Africa has not helped create a good climate for the trade round.

A successful trade round requires political leaders to avoid provocations and resist sectoral lobbying (whether from French farmers or US drug companies). They need to remember that a good agreement in the trade round would bring higher growth for all parties. The world's poorest countries stand to gain the most from the Doha round, for example through a reduction of the rich country export subsidies which damage many farmers, and through greater access to cheap medicines.

However, much more than a trade round is needed to alleviate poverty in developing countries. The US and the EU share a common interest in raising living standards in the poorest countries. Poverty in itself does not create terrorists. But it feeds a sense of hopelessness which in turn foments unrest, undermines states, nurtures fundamentalism and drives mass migrations.

President Bush's commitment of \$5 billion for 'Millennium Challenge' development assistance in 2002, plus \$15 billion for anti-AIDS programmes in 2003, marks a welcome reversal of a long decline in America's development effort. The Americans, the Europeans and others, such as the Japanese, need to work together on increasing the resources that are available for boosting economic development, alleviating the ravages of disease and improving governance. Such efforts would not only bring humanitarian benefits, but also help to revive economic growth and contribute to global security.

Climate change is a serious threat which warrants concerted international action. The US's rejection of the Kyoto protocol, with its targets for cutting greenhouse gas emissions, has been hugely unpopular with public opinion in Europe. However, both Europeans and Americans need to rethink their positions on global warming. The EU must recognise that there are flaws in the Kyoto protocol (particularly with respect to timetables and the involvement of the developing world), and that attempts to push the US to sign up will get nowhere. Conversely the US must be prepared to put forward alternative proposals that offer a realistic method for curbing global warming.

The bad feeling left by the rows on Iraq should not be allowed to colour the management of these global economic issues. Europeans and Americans are too dependent on one another to tackle these problems in splendid isolation. They should revive the spirit of transatlantic co-operation by working together on these common concerns.

2. Work out a common approach to Iran

For many years, Europeans and Americans have followed very different strategies on Iran – but neither has been successful. America's policy of sanctions and diplomatic isolation has failed to bring about significant improvements in Iran, but the EU's commitment to trade and dialogue has not achieved much either.

The Bush administration, like that of Clinton, has stopped its companies trading with Iran, highlighted the regime's support for terrorist groups and tried to persuade Russia to stop building a nuclear reactor at Bushehr. The Americans have complained that the Europeans appeared – at least until June 2003 – indifferent to Iran's weapons programmes and its backing of Hezbollah and Hamas.

The EU, pursuing a policy of 'conditional engagement', has begun to negotiate a trade agreement and embarked on a political dialogue that covers issues such as human rights and weapons proliferation. Several European politicians, including Jack Straw, the British foreign secretary, have devoted time and energy to cultivating President Khatami's government.

This transatlantic divergence did not matter a great deal – so long as Iran was nobody's top priority. But in the spring of 2003, with Iraq 'done' and Syria bending to US pressure, the neo-cons pushed Iran to the top of Washington's foreign policy agenda. "We would prefer to deal with Iran by achieving a peaceful regime change," said a Pentagon adviser in May 2003. "We don't see much difference between Ayatollah Khamenei [the 'supreme leader'] and Khatami. If Europe thinks Khatami is a negotiating partner, our ways will part." Iran could certainly cause another major ruction in transatlantic relations. It could also lead to the biggest crisis in American-Russian relations since Putin came to power.

There is an urgent need for Europeans and Americans to get together, and try to forge a common strategy. The task need not be impossible, given that the evolving situation in Iran and its neighbourhood provides plenty of reasons for rethinking policy. Within Iran, more people are criticising the government and asking for greater contact with the outside world. Regime change in Afghanistan and Iraq has spurred even conservative figures in Iran to argue for talks with the US.

Americans and Europeans can surely agree on common objectives: Iran should better respect human rights, cease to support terror groups and resist the temptation to destabilise Iraq and Afghanistan. And Iran should sign the Nuclear Non-Proliferation Treaty's 'additional protocol', which would subject it to more intrusive inspections from the International Atomic Energy Authority. Washington should stop trying to force the Europeans to cut off ties and trade with Iran, no matter how it behaves. But the Europeans should make clear that their 'conditional engagement' really is conditional: if Iran actively pursues nuclear weapons, supports terrorists or undermines the security of its neighbours, they should cut or diminish political and commercial ties.

Russia has strong trading links with Iran, and supports its civil nuclear power programme. The US and the Europeans should therefore involve the Russians in talks on Iran, and especially its nuclear ambitions. The need to establish better international supervision of Iran's nuclear facilities is becoming increasingly urgent. In June 2003 the IAEA reported that Iran was not co-operating fully with its inspectors.

On nuclear and other issues, the EU, the US and Russia should try to forge a new set of policies with an appropriate mix of sticks and carrots. So far, the US and the EU have not done enough to demonstrate to Iran the benefits of working with them. The US should state unambiguously that, so long as Iran forswears nuclear weapons, it will not pursue a policy of regime change. The US, the EU and Russia should acknowledge Iran's legitimate security concerns, and urge its neighbours to join Iran in some sort of regional security structure that would aim to reduce tensions in the area between India and Turkey. The EU could offer the completion of the trade agreement, the US could offer diplomatic recognition, and both could use their best endeavours to bring Iran into the WTO. But Iran must first accept more stringent IAEA inspections.

There are some tentative signs that a common transatlantic line, also embracing Russians, may be feasible. In May 2003, Russian officials acknowledged for the first time their worries about Iran's ambitions for nuclear weapons. Some of them hinted that they would not supply nuclear fuel to the Bushehr nuclear reactor unless Iran signed the additional IAEA protocol. And then in June EU foreign ministers agreed not to move ahead with the trade agreement unless Iran signed the protocol. On the same day they declared – apparently coincidentally – that in certain circumstances they might have to deal with the problem of WMD through the use of force.

However, while the Europeans hardened their position on Iran, President Bush gave public support for the student demonstrators in Tehran, and US policy became increasingly hawkish. If the Americans decided on a formal policy of regime change, few Europeans would wish to follow them.

3. Reach an understanding on weapons of mass destruction

Shortly after the Iraq war, the Brookings Institution and the Centre for European Reform brought together a group of analysts to draw up a declaration on the future of transatlantic relations. The group argued that arms control regimes needed strengthening, but also that preventative military interventions might be needed to cope with the threat of weapons of mass destruction.³⁷ At the time, there seemed

³⁷ See
Appendix I.

little prospect of the US and European governments agreeing to that twin-track approach to WMD. Many voices in the Bush administration seemed hostile to the concept of arms control treaties, while some European governments were not prepared to support the idea of using force against WMD. By June 2003, however, the rhetoric on both sides of the Atlantic had shifted, and it seemed possible that Europeans and Americans might be able to adopt a common approach.

The two sides of the Atlantic approach the issue of WMD from very different positions. Many European governments have long experience of dealing with terrorism and do not underestimate its dangers. But they have tended to be nonchalant about the risk of unguarded nuclear materials in former Soviet countries, as well as the threat of rogue states acquiring chemical and biological weapons, or ballistic missiles. For example, over the past decade the US has spent \$7 billion on helping the countries of the former Soviet Union to decommission nuclear weapons and manage nuclear materials; in the same period the EU countries have spent only around \$1 billion on that objective.

Although some EU governments do take the so-called new security threats seriously, many European citizens do not appear to worry about WMD being used against their countries. Perhaps because of the real and uncontrollable risk of terrorism in their cities, Europeans have never become exercised about a hypothetical threat from rogue regimes which, as far as they can see, would have no desire to strike Europe. Thus despite the Bush administration's plans to build a system to defend the US against ballistic missile attack, few Europeans want similar protection for their continent.

Still, the European public does need to wake up to threats which may one day affect its – in Robert Kagan's term – 'Kantian paradise'. Whatever the truth about Iraq's arsenal, increasing numbers of countries have or are trying to acquire nuclear, radiological, biological or chemical weapons, as well as ballistic and cruise missiles. Although many rogue states have no immediate interest in using such weapons against European targets, there is no iron law that prevents them from passing WMD to terrorists who consider themselves in a state of war against the West.

The European governments have had different views on the new security threats. The British and French security establishments take WMD seriously, and have long been prepared to contemplate the use of force to tackle the problem – though they may differ over the kind

of legal framework that is required to authorise military action. In contrast, the governments of Germany and some of the non-aligned member-states have opposed references in official EU documents to the use of force against WMD.

These divisions among the Europeans undermine the CFSP. The fact that different EU countries had differing perceptions of the threat in Iraq exacerbated Europe's divisions. Even if the EU had agreed on a common threat assessment, the governments might have taken different views on what to do about it. Nevertheless, if the Europeans can align their thinking on the nature of threats and on how to cope with them, they will be less likely to fall out in the future. So there is an urgent need for the EU governments to search for a common approach.

Encouragingly, in April 2003 the EU governments asked Javier Solana and his officials to start working on an 'EU security strategy'. The purpose is to examine the nature of the new security threats, and the means available for dealing with them. This process is pushing some of the more pacifist EU states towards a recognition of the gravity of the threats, and a greater willingness to take firm action against them. At the same time those states which favour a more active and global foreign policy are having to show that they accept a crucial role for international law, and in particular for the UN, in legitimising the use of force; and that they understand a broad range of tools is available to deal with the danger of WMD, prior to the use of force.

This work on a security strategy is helping the Europeans to make the connection between their objectives and the tools available to them: they have seldom managed to harness effectively their trade, aid and other instruments in pursuit of foreign policy objectives. As former Swedish Prime Minister Carl Bildt has observed, Europe is "often stressing the all-encompassing nature of its so-called soft power versus the dominating hard powers of the US. It needs to demonstrate that these powers can indeed be applied to prevent

situations from emerging that will call for pre-emptive hard interventions."³⁸

Meeting in Luxembourg on June 16th, the EU foreign ministers signed up to a new statement on ways of dealing with WMD. This said: "When these measures (including political dialogue and diplomatic pressure) have failed, coercive measures under Chapter VII of the UN Charter and international law (sanctions, selective or global, interceptions of shipments, and, as appropriate, the use of force) could be envisioned." The statement added that "the role of the UNSC, as the final arbiter of the consequences of non-compliance...needs to be effectively strengthened."³⁹

The ministers also approved a more general paper from Solana, which analyses three of the new threats facing Europe: international terrorism, WMD, and failed states and the organised crime they foster. The robustness of the language surprised and impressed officials of the Bush administration. The paper concluded: "If we want international organisations, regimes and treaties to be effective in confronting threats to international peace and security, we should be ready to act when the rules are broken."⁴⁰

Of course, it is easier for governments to agree on fine words than to respond to some as yet unimagined crisis with common actions. But the statement on WMD and the paper on security strategy were a good start. EU ministers must now refine their principles and work out in more detail the conclusions they wish to draw from them. The security strategy which emerges at the end of this process will probably look rather different to the American strategy of September 2002. But it will serve a purpose in showing that Europe takes WMD seriously. And it will make it easier for Europeans and Americans to discuss their differing views on the

³⁸ 'Pre-emptive military action and the legitimacy of the use of force', speech to the European Security Forum, Brussels, January 13th 2003.

³⁹ 'Basic principles for an EU strategy against weapons of mass destruction', Council of Ministers, June 2003, 10352/03.

⁴⁰ Javier Solana, 'A secure Europe in a better world', Council of Ministers, June 2003, SO138/03.

rights and wrongs of pre-emptive or preventative military interventions.

In the past, the Bush administration was right to criticise Europe for not taking the threat of WMD proliferation seriously. Yet European governments have been right to argue that, despite the evident weaknesses of arms control treaties and regimes, some of them are genuinely useful. They can provide benchmarks against which good behaviour may be measured, though they serve little value without stringent inspection regimes. For example, in 1992 IAEA inspectors were the first people to realise that the declaration made by North Korea – a signatory of the Nuclear Non-Proliferation Treaty (NPT) – was false.

Some governments will always cheat. But surveillance and intelligence techniques mean that cheaters will sometimes be found out. So long as most countries subscribe to arms control regimes, and are seen to be complying, governments will think twice before flouting the rules. The danger of scrapping arms control treaties is that manufacturers and proliferators of WMD are then left free of the risk of inspections. The rest of the world is more ignorant about the country concerned – and has less legitimacy if it wishes to act against offenders.

Nevertheless, arms control treaties and inspection regimes are only effective if the countries involved have the political will to enforce them. For example, in the 1990s UN inspectors performed well in Iraq for as long as they had the backing of the UNSC. They were putting together a picture of Iraq's biological weapons programme, even before intelligence from defectors provided many of the details. But in 1996 China, France and Russia became reluctant to threaten force against Iraq, which undermined the work of the inspectors. Another example is the Chemical Weapons Convention, which in theory allows intrusive inspections; however, the signatories have never activated this mechanism.

Sadly, the Bush administration has blocked the effort to create a monitoring regime for the Biological Weapons Convention (BWC). The administration's opposition to arms control treaties sometimes appears ideological, in the sense that it opposes any constraint on America's freedom of manoeuvre. Sometimes the opposition seems to stem from corporate lobbying, for example when pharmaceutical companies criticised the BWC inspection regime. In fact the Bush administration does favour arms control treaties and regimes on a selective basis, though it has not made a big enough effort to explain this to Europeans and others.

Thus the administration does back the NPT and also wants a bigger budget for the IAEA, which polices it. The administration also wants to strengthen some of the crucial supplier cartels, which aim to prevent the export of sensitive materials. The provisions of the Missile Technology Control Regime have already been beefed up. The administration is talking of adding to the lists of goods prescribed by the Nuclear Suppliers Group and the Australia Group (which restricts the spread of chemical and biological weapons-related material and know-how). However, these supplier regimes work on a voluntary basis and have no teeth. For example, the Nuclear Suppliers Group has a rule against trades with countries that do not accept the full range of IAEA safeguards, yet Russia has broken it by making nuclear trades with India.

There is surely scope for a grand transatlantic bargain on proliferation. The US should sign up to some of the binding regimes, such as the BWC monitoring mechanism and the Comprehensive Test Ban Treaty. In return the Europeans should show that they are committed to tougher action against the threat of proliferation. For example, they could offer more cash for dealing with the problem of Russia's nuclear weapons facilities; they could support harsher sanctions against countries that proliferate; and, when there is a convincing case for pre-emptive action, they could join the US in military missions to destroy WMD.

By late June 2003, as Greek Prime Minister Costas Simitis and Commission President Romano Prodi met George Bush at the annual EU-US summit in Washington, such a bargain looked less implausible than it had done a few months earlier. They signed a statement in which they promised “to strengthen the international system of treaties and regimes against the spread of WMD”, and to pursue “the goal of universal membership of relevant multilateral treaties and agreements”. That implies Israel should join the NPT. They recognised that “other measures in accordance with international law may be needed to combat proliferation”, which presumably means force. The concluding sentence has a profoundly multilateralist ring to it: “We need to tackle [non-proliferation] individually and collectively – working together and with other partners, including through relevant international institutions, in particular those of the United Nations system.”

Such well-crafted words cannot conceal the very real differences of principle and approach that still separate the two sides of the Atlantic. But they do suggest that the Bush administration may be a little less unilateralist than the Europeans sometimes fear; and that the Europeans may be a little less whimpish about WMD than the Americans sometimes believe.

The next test of this new spirit of co-operation may be the issue of ‘interdiction’ – the interception of WMD or their components when they pass from one country to another. Shortly before the start of the Iraq war, Spanish commandos followed an American suggestion to seize a ship that was carrying North Korean missiles. But they had to release the ship, since there was no legal basis for taking the weapons, which were bound for Yemen. The world needs a regime that makes it illegal to send WMD from one country to another, and which allows the boarding of ships or aircraft suspected of carrying them. The European countries and the US should try to agree on some common rules for interdiction.

The US has convened a group of countries, including its principal European partners, to discuss interdiction in territorial waters – the so-called Madrid group. More controversial is the issue of interdiction on the high seas, or in international air space. Bush floated some ideas on interdiction during his tour of Europe in June 2003. He did not find an enthusiastic response, because he failed to specify that the interdiction regime would need the authority of the UN. If the US is prepared to support the idea of a UNSC resolution that would authorise the boarding of ships and aircraft that are suspected of carrying WMD, the European states and probably many other countries would support the idea.

4. Discuss the principles of intervention

Any discussion of pre-emptive or preventative action against WMD begs a question: by what authority? Europeans tend to be more preoccupied than Americans with the need for international law or organisations to legitimise military interventions. The main reason why many middle-of-the-road Europeans opposed the war in Iraq was the lack of any UNSC resolution that gave explicit authorisation. The British government argued that earlier resolutions provided sufficient legal cover. But many Americans, particularly at the hawkish end of the political spectrum, were not greatly bothered by the question of UN authorisation.

The two sides of the Atlantic approach the issue of intervention from a different perspective. When Europeans think about using force in another country, they tend to assume the justification is humanitarian. Thus Blair’s Chicago speech of April 1999 defined some of the criteria that could be used to justify humanitarian intervention. He has subsequently used those criteria to explain British military involvement in Sierra Leone. Americans have tended to assume that the purpose of interventions is to deal with WMD. The September 2002 National Security Strategy provided arguments to justify intervening to tackle WMD. After September 11th, both sides agreed on a third justification for intervention: to

overthrow a regime harbouring terrorists. Thus most Europeans and Americans accepted the war in Afghanistan.

However, the Iraq war showed that differing views on intervention have the potential to destabilise the transatlantic relationship. Ever since September 11th, Americans have become less concerned to uphold international law, when faced with the threat of WMD. Richard Haass, one of the moderates in the Bush administration, explained its thinking in January 2003:

Traditionally, international lawyers have distinguished between pre-emption against an imminent threat, which they consider legitimate, and ‘preventive action’ against a developing capability, which they regard as problematic. This conventional distinction has begun to break down, however. The deception practised by rogue regimes has made it harder to discern either the capability or imminence of attack. It is also often difficult to interpret the intentions of certain states, forcing us to judge them against a backdrop of past

⁴¹ *‘Sovereignty: aggressive behaviour. Most fundamentally, the rise of existing rights, catastrophic weapons means that the cost of evolving responsibilities’, enormous. In the face of such new threats and speech to George Washington University, uncertainties, we must be more prepared than previously to contemplate what, a century and a half ago, Secretary of State Daniel Webster labelled ‘anticipatory self-defence’.*⁴¹

Some Europeans regard that kind of reasoning as a sophisticated way of saying that the US will go to war whenever it feels like it.

⁴² *See Appendix I.* In May 2003, during the debates over the drafting of the transatlantic declaration referred to earlier, intervention proved to be by far the most contentious issue.⁴² Most of the analysts involved could compromise on the formula that “UN authorisation, though not a prerequisite, would be highly desirable.” But some of

the Americans would not accept any implication that the UN should authorise military action, and refused to sign. On the other hand some French analysts feared that such wording implied that US hawks would be able to ignore the UN. They admitted that in practice there would be occasions when one had to intervene without UN authorisation, as in Kosovo in 1999 – but thought it wrong to put that on paper. So they would not sign.

Given how explosive this issue can be, European and American leaders should discuss the principles of intervention in a private and informal setting. They should discuss whether the rules of international law which govern the legitimacy of military action need re-examination, in the light of the current challenges of terrorism, WMD and massive violations of human rights. They might not agree, but it would be useful if they understood each other better. In the long run, Europeans and Americans could aspire to agree on some guidelines to govern interventions.

Such a bridging of transatlantic differences should be feasible. After all, most Europeans supported the interventions in Kosovo – which had no UN authorisation – and in Afghanistan, while many Americans would hesitate before invading another country without cover from an international body or coalition. But a common approach will not be feasible unless some Europeans become readier to accept that force may be needed as a last resort, and some Americans accept that interventions require the widest possible legitimisation.

The legitimacy need not necessarily come from the UN. But it needs to come from somewhere – if only a set of guidelines endorsed by a gathering of international leaders. Some American nationalists will continue to argue that the US should intervene whenever the national interest requires it, without the need for endorsement from anybody or anything. It is perfectly possible for the US to behave in that way. But if it does, it will end up with very few friends or allies.

6 Britain and France: defrosting the *Entente Glaciale*

At this grave moment in the history of the modern world, the British government and the French republic declare themselves to be indissolubly linked and unshakably resolved to defend together justice and liberty against domination by a system which reduces humanity to the condition of robots and slaves. The two governments declare that France and Britain will no longer be, in the future, two nations, but a single Franco-British Union. The constitution of the Union will establish common bodies for defence, foreign policy and economic affairs. Every French citizen will immediately enjoy British citizenship, and every British subject will become a citizen of France....During the course of the war there will be only one war cabinet and all French and British forces will be placed under its direction....The two parliaments will be merged.

Document drawn up by Jean Monnet on June 16th 1940, and accepted by Winston Churchill and Charles de Gaulle, but not implemented owing to the fall of France.

European governments need to develop a common approach to dealing with the US. Extra meetings of the 'big three' (Britain, France and Germany) or the 'big six' (the big three plus Italy, Poland and Spain), or of all the members, plus a lot of good will, can help. But the *sine qua non* of a common European line on America is a *rapprochement* between London and Paris.

Both Britain and France are proud, post-imperial nations that aspire to lead Europe. And both are led by strong, self-confident men,

who want to be top dog in Europe – and who have diametrically opposed views on how to respond to American power.

When Britain and France fall out, they damage much more than each other. The animosity between London and Paris over Iraq has undermined the United Nations, NATO and the EU's embryonic foreign and defence policies.

Relations between London and Paris in the early months of 2003 were probably as bad as they have been in the 30 years since Britain joined the EU. Jacques Chirac pursued a strategy at the UN which ended in diplomatic victory over the British and the Americans, and which could easily have destroyed Tony Blair. But the prime minister survived – partly because he convinced the British that Chirac had been utterly unreasonable, and partly because of the relatively painless military victory in Iraq.

With the war over, one might have supposed that Blair and Chirac would be hurrying to rebuild bridges across the Channel. But in the months following the war there seemed to be too much bad blood between them. British ministers criticised the French in public over their pre-war diplomacy. They sometimes claimed – with considerable hyperbole – that if only France had stuck by its allies, war in Iraq could have been avoided. Some senior figures in the British government spoke of isolating France. “First we must peel off the Russians from their alliance with Germany and France, and then we must peel off the Germans – but we should not even try to make peace with the French”, said one top British official in April 2003.

Other British officials took a softer line, urging the rebuilding of ties with France. But they complained that the war had not only made ministers keener on close ties to the US, but also more eurosceptical. At the time of writing the dominant line in the British government is that Britain should not compromise with France on how to deal with the US. Only close transatlantic co-operation can tackle the

many global dangers that threaten us, the argument goes. The French idea of resisting the US would prevent such co-operation, and the French will simply have to learn that their approach is wrong.

The atmosphere in Paris is scarcely more emollient. President Chirac chose to support the Belgian initiative which – with the backing of Germany and Luxembourg – led to the four-nation defence summit in Brussels on April 29th. Whatever the intrinsic merits of promoting defence integration through an *avant-garde* group, this initiative was hugely divisive. The countries left out – including Britain, Spain, Italy and the East Europeans – resented a venture that seemed to be implicitly anti-American and anti-NATO. This summit helped to keep open the wound between New Europe and Old Europe, thus delighting Donald Rumsfeld and the Pentagon hawks.

Some influential voices in Paris argue that Britain will soon realise that it cannot continue to follow such a ‘crazy cowboy’ as Bush. When the British decide that they are European and abandon Bush, they can be welcomed back into the fold – but not until then. In the spring of 2003, at least three different strategies were under discussion in French government circles. One is to acknowledge that the British are simply beyond the pale. France needs to work with Germany to establish a core Europe, not only on the main EU issues, such as institutions and the budget, but also on defence and foreign policy. The second is that France should work with Germany to create a core Europe for most EU issues, but that it should include the British – because of their impressive capabilities – for defence. The third – and not dominant – strategy is to revive co-operation among the big three on a host of issues.

Both Chirac and Blair appear convinced that they are right and that the other one should change his course. But both are less secure than they believe. In many parts of Europe – and not only France and Germany – Blair's enthusiastic support of President Bush and his government's hesitations on the euro have

undermined his credibility as a European leader. In the words of one former Nordic prime minister: “We used to look upon Blair as the pre-eminent European leader, but since Iraq we see him as a very interesting British leader”. Some left-of-centre politicians in countries such as Spain and Italy no longer want to be seen shaking hands with Blair. And in the words of one Polish minister: “We like the British, but we have to ask whether it makes sense for us to develop a close friendship, given that they have become much weaker in Europe”.

In a year or two, Blair could be more isolated than he is today. Silvio Berlusconi, whose comments on international affairs are becoming increasingly colourful, is hardly an ideal ally. José María Aznar will stand down in 2004. And most East Europeans cannot be relied upon to line up behind the Anglo-Saxons: they do not want to have to choose between Atlanticism and Franco-German leadership.

Furthermore, now that Blair has tied his colours to Bush’s mast, if the US president embarked on a series of pre-emptive wars, he would put Blair in a very difficult position. Blair would either have to follow Bush, further undermining his own credibility in Europe; or he would have to change tack and distance himself from the US president, thus casting doubt over his earlier strategy of sticking to the US through thick and thin. Apparently Blair thinks that he will not face this dilemma; he is confident that Bush will invade other rogue states.

But Chirac, too, is in a more precarious position than he may realise. He has needlessly incurred the wrath of the world’s only super-power. He could have opposed the invasion of Iraq without taking on the US in a total diplomatic war. Putin managed to oppose the war in a more sober and less flamboyant manner, while maintaining ties with Washington. Chirac’s diplomatic victory has been pyrrhic: Bush is now unlikely to take the UNSC seriously as an arbiter on matters of war and peace. Thus Chirac has damaged one of the mainstays of French power.

Chirac should be worried that very few European countries were prepared to back his policy of standing up to the US: just Germany, Belgium and Luxembourg. In the split between New and Old Europe, 21 of the 25 EU members and future members are either with the British or neutral. Countries that are normally committed to European integration, such as the Netherlands, Finland and Italy have failed to rally to Franco-German leadership. Most of the ten countries that will join in May 2004 view Chirac’s Gaullist attitude to the US as ridiculous.

For now, Chirac can count on his revived alliance with Germany, and perhaps vague support from Russia in resisting US hegemony. However, Germany has a chronically weak government and economy, and its marriage of convenience to France may not be durable. Much of the German business elite, as well as many of the opposition Christian Democrats, want a restoration of Germany’s traditionally Atlanticist orientation. If circumstances change, Schröder – who is certainly capable of opportunism – may think again.

Putin is a calculating politician who in the long run is likely to do whatever is best for Russia. That means he will not always back France against the US. His prime objective is to strengthen the Russian economy, and for that he needs the good will of all the Europeans, and the Americans. Thus far he shows no signs of wanting the ‘triple alliance’ that opposed the US on Iraq to become a more permanent anti-American front.

Both Blair and Chirac would be stronger if they could learn to work with each other. And more importantly, Europe would be stronger. A Franco-British *rapprochement* should be feasible. On counter-proliferation, for example, both favour a tough, UN-based multilateralism that binds in the US, Russia and China. They have similar views on the European constitution: both favour the ‘inter-governmentalist’ emphasis of Convention President Valéry Giscard d’Estaing. They have a similar interest in development issues and – much more than most other EU

countries – pay serious attention to Africa’s problems. As already explained, Britain and France agree on most of the key foreign policy challenges in the world today.

The problem is that Britain and France do not agree on what to do if America strongly opposes a common European position. The British tend to shift their stance towards that of the US, in the hope of gaining influence in Washington, while the French tend to criticise the US in public. So although they now agree on the Middle East peace process, what if President Bush fails to apply the kind of pressure on Ariel Sharon that most Europeans expect? It is easy to imagine that the British would shift towards the US position, in the hope of influencing Bush, but that the French would maintain their line and criticise him.

More fundamentally, Britain and France disagree over the rationale for a stronger European foreign and defence policy. The British want a strong EU so that it can be a useful partner in helping the US to sort out the world’s problems. If Europe’s stance is generally co-operative, thinks Blair, the US is more likely to listen – and understand the benefits of multilateralism. But the French want a strong EU that is capable of standing up to the US, and – perhaps with Russia, China and others – preventing the emergence of a ‘unipolar’, meaning US-dominated, world.

If Blair and Chirac could achieve some reconciliation of their views on how to deal with the US, the other European countries would be happy to follow them. Then a real and effective Common Foreign and Security Policy would become feasible. In a nutshell, France needs to become less instinctively anti-American, and Britain less unconditionally pro-American.

A new line in Paris

The French should not find it too difficult to moderate the Gaullism of their foreign policy. Indeed, some top officials in Paris have been

advising Chirac to do just that. They understand that France’s active opposition to the US on Iraq has undermined three foundations of French power – the UN, NATO and the EU. If France took a more constructive approach in the UN and NATO, the Bush administration might pay more attention to those two organisations. The difficulty for France is that it would probably have to behave politely for a considerable time, before the administration rethought its hostility to those bodies, especially the UN. The effort would be worthwhile, however, since France’s special status on the UNSC gives it huge potential influence in the United Nations. The quality of France’s armed forces gives it an opportunity to play a leading role in NATO. As for the EU, France cannot aspire to lead it without shifting its stance on the US.

One other factor may push the French to change their attitude. France’s businesses are notoriously ineffectual at promoting their interests with the French government. For example, employers’ organisations have seldom campaigned in favour of progress in global trade rounds, although French companies would benefit from liberalisation. Yet French politicians cannot be completely oblivious to the commercial costs of maintaining hostilities with the US. Many French companies have huge businesses in the US, and others want to expand there.

What stance should France adopt? First, France should oppose the US on big issues rather than small ones. For example if the Americans want to start a war of which France disapproves, it should certainly oppose the war. But France has tended to oppose the US on relatively minor security issues, often to give in in the end. France’s prickly behaviour over many years has annoyed its allies and deepened the well of anti-French sentiment in the US. France should not be such a difficult partner on issues on which it ultimately intends to compromise. The French government may have taken the point: in May 2003, during the negotiation over UNSC resolution 1483 on Iraq, it showed some flexibility, and it also supported the plan for NATO to take over the peacekeeping in Kabul.

Second, France's leaders could achieve a lot by changing some of their language. If Chirac talked more about partnership and working together to solve common problems, he would disarm many of his critics in Washington. In particular, he should avoid talking about the need for a 'multipolar' world. That word goes down well in Moscow and Beijing. But it causes concern in many European capitals, particularly in the eastern half of the continent, where people remember how much Yevgeny Primakov, the former Russian prime minister, promoted the idea of multipolarity. As François Heisbourg has observed, multipolar is a word which divides Europeans, while multilateral is a word which brings them together. If French leaders could talk more about the need for a multilateral world, they would keep everyone in Europe with them – including the British.

The problem here may be that language represents substance. One adviser of Chirac said at the end of May 2003 that the governments of France, Germany and Russia had learned to trust each other, and that their alliance was "capital" for the future. "When dealing with the US, we have a common vision," he said. This alliance was helping to integrate Russia with the West. It was also "a base" for France's future foreign policy.

Such ideas worry some French diplomats. For if France became serious about this triple alliance, it would ensure that Europe remained divided and that the EU never became a power. Many other Europeans would disapprove of a long-term French alliance with a Russia which, despite its evident progress under Putin, still has an uncertain trajectory and a far from perfect human rights record.

Third, Chirac should avoid divisive initiatives. He should abandon whatever plans he may have for the establishment of a core Europe. An enlarged EU will require an element of 'variable geometry': the Euro Group will dominate much economic policy-making, and progress on defence may require smaller groups to move ahead. But such initiatives must remain within an EU framework. There should be no 'inner core' that embraces a whole range of policy areas, for

the result – a clear division into two classes of membership – would be very damaging. If Chirac tried to lead a mini-Europe, built around the six founding members, he would by definition be unable to lead Europe as a whole. And so long as core Europe had an anti-American flavour, most EU countries would oppose it. France has to make a strategic choice: to aspire to lead the new, wider Europe, or to build an inner core centred on France and Germany.

Fourth, if Chirac wants to be truly influential in the new Europe, he will need to make new friends. He will have to make a special effort with the Central and East Europeans, for two reasons. One is that he has insulted them – and not apologised for doing so. The other is that Chirac, like many French leaders, has appeared to be in a state of denial about EU enlargement. Viewing enlargement as an unpalatable prospect, some French politicians have simply refused to think through the consequences. As a result France has made very little effort to build alliances with the accession countries. This attitude will have to change, simply for *raison d'état*: the eight new members from Eastern Europe have many votes in the Council of Ministers, and they will not want to be allies of a France that is systematically opposed to the US.

If France could shift its approach towards the US, it would win friends in Washington and many European capitals. It would also reduce the chances of Europe splitting apart in the future as it did over Iraq. If France altered its stance, Germany – always more reluctant than France to oppose the US – would almost certainly follow.

A new line in London

The other side of this equation is that British foreign policy will also have to shift. As with France, there are compelling reasons for the UK to make some changes. Since the summer of 2002, the perception across many parts of Europe that Britain is unconditionally supportive of the US has damaged British influence.

Not everyone in the British government understands that there is a problem. Tony Blair appears to believe that he can be George Bush's best friend and the pre-eminent leader of Europe. But despite the fact that several European governments supported his stance on Iraq, he will have to work at restoring his authority in Europe. If Blair could shift his line on the US, he would strengthen his position on the continent and make it easier for the big three to take a common approach. The UK, like France, need not change a great deal of the substance of its foreign policy.

First, Britain should be less uncritical and unconditional in its support of the US. Blair has been reluctant to criticise the US in public, on the grounds that he has more influence if he is publicly supportive. That is surely correct; but one of Blair's problems on the continent is that nobody knows if he is critical in private, and very few people believe that he has much influence in the White House. He should be prepared to make more explicit criticisms of the US in public, for example on issues such as the International Criminal Court, Kyoto, Iran and – if Bush fails to fulfil his promises to Blair – the Middle East peace process. If Blair is serious about leading in Europe he will have to take some risks in his relationship with George Bush. Those risks should be manageable: before making a criticism, Blair could warn Bush, explaining that it was all in the cause of enhancing British influence in Europe, and that that was good for the US. Some of the top officials in the Foreign Office believe that British influence in Washington would survive the occasional public criticism of the president, and they are probably right.

Second, the British government needs to tell a different story about British foreign policy. As already stated, on most of the key foreign policy issues, Britain agrees with its European partners. But Blair and his ministers seldom make speeches that highlight this truth. They need to spell out that the UK is with the other Europeans on the Balkans, Israel-Palestine, the ICC and so on. On some of these issues they will need to stress that the UK-European line is different from that of the US.

Third, Blair and his ministers should avoid actions which prolong the division between New and Old Europe. For example, when the EU presidency excluded the accession countries from the Brussels summit of February 2003, Blair wrote to the prime ministers of those countries to say how sorry he was that they had not been allowed to attend. However, that effort to curry favour with one group of countries only increased French and German hostility to Britain. The British government also needs to handle the relationship with France more sensitively: British words and actions affect the internal debates of the French government. At the time of the Iraq war some ministers' attacks on the French were over-the-top and unhelpful. Some lessons seem to have been learned. For example in May 2003 defence secretary Geoff Hoon worked hard to persuade the Pentagon to scale back its exclusion of the French from some kinds of military co-operation.

Fourth, Blair needs to show the rest of Europe that Britain is enthusiastically committed to the ESDP. Nothing did more to convince other EU governments that he was genuinely pro-European than the St Malo initiative. But in the subsequent four-and-a-half years, Britain's support for the concept of an EU role in defence has appeared hesitant. For example, after the tabloid press viciously attacked the 'European army' at the time of the Nice summit in December 2000, Blair and his ministers said very little in public about the ESDP for over a year. And sometimes the UK has appeared over-sensitive to the concerns of the Pentagon: in spring 2003 British officials talked of postponing plans for the EU to take over the peacekeeping in Bosnia, because the Pentagon had cold feet. Of course, a key task for the British in building the ESDP has been to persuade the Americans that the purpose is not to weaken NATO. That may justify some British caution. Nevertheless, Blair also needs to convince his European partners that he is faithful to the objectives of the St Malo initiative, including the idea that the EU should be able to run its own military missions.

Sometimes the UK government seems to understand this point. The British-French declaration at Le Touquet in February 2003 sketched

out a way forward for the ESDP. And Britain was right to support the EU's first autonomous military mission, to Bunia in the Congo, in June 2003. But British support for the ESDP needs to be more unequivocal, constant and public. That is the best way of dissuading other governments from divisive initiatives such as the four-country summit in April.

If the French and the British can shift their positions, the whole EU should be able to support a common stance: in favour of a stronger Europe that is usually supportive of US policies; but a Europe which can act autonomously, and which, on matters of vital importance, is capable of opposing the US.

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Appendix I

Transatlantic declaration: how to overcome the divisions

The West is badly divided, both across the Atlantic and among Europeans. The emotions which recent diplomatic and military events have aroused still run high. But Americans, Europeans and people in other parts of the world have a strong interest in healing the current wounds. When the US and Europe work together most global challenges are easier to surmount. Fortunately, despite our differences, there is still much that unites Europeans and Americans.

Now is the time to stop the provocations and work towards a common agenda. We reject a policy of revenge – whether it is to ‘punish’ those who disagree with the US and its allies; or to refuse to participate constructively and wholeheartedly in the rebuilding of Iraq. Neither strategy is viable and each would deepen the divisions.

Repairing transatlantic relations is not an impossible task, for many of our interests are similar. We should focus our immediate attention on forging joint strategies with respect to post-war Iraq, Israel-Palestine, Iran, anti-terrorism and the proliferation of weapons of mass destruction (WMD). We should also be able to co-operate better on medium-term challenges such as development, world trade and global warming. If we can work together on all these issues, we are more likely to achieve positive results, as well as revive the spirit of transatlantic relations.

Iraq

In recent months Iraq has been the most divisive issue in US-European relations, but it also offers the greatest opportunity for

reviving transatlantic co-operation. Although western countries disagreed over the necessity and timing of the war, they agree on the need to foster the emergence of a united, peaceful, prosperous and democratic Iraq, free of WMD. The pursuit of those goals will require a major commitment of people, money and time. We therefore need the broadest possible participation in the reconstruction of the country, making best use of all the instruments and institutions at our disposal.

Europeans and Americans should strike a broad bargain on Iraq. The US should accept the need for a UN Security Council endorsement of the peacekeeping force, and a meaningful UN role in the rebuilding of Iraq. United Nations inspectors should be involved in the verification of any finds of WMD, and in their destruction. In return the Europeans, including those who opposed the war, should accept and contribute to a NATO security force in the country, and show pragmatism on the manner in which sanctions are lifted.

Israel-Palestine

In the aftermath of the Iraq war, the US and Europe have a special opportunity to promote a peaceful settlement of the Israeli-Palestinian dispute. The politics of the wider region are now more conducive to an agreement than they have been in a decade. Moreover, the US and Europe agree not only on the fundamental elements of a final settlement but also on the diplomatic mechanism to achieve it: the roadmap prepared by the Quartet (the US, the EU, the UN and Russia).

It will be hard to coax the parties to implement the provisions of the roadmap. But the absence of a peace accord carries a high human cost for both Israelis and Palestinians, harms western interests in the region and creates transatlantic tension. Moreover, many other shared objectives in the region – such as tackling fanatical terrorism, stemming WMD proliferation and promoting political reforms – would be easier to achieve if Americans and Europeans made the implementation of the roadmap a top priority.

Iran

The US and Europe should start a new dialogue on Iran, with the aim of forging – as much as possible – a joint strategy to achieve their shared goals of promoting genuine democracy, halting support for terrorism and ending nuclear and other WMD programmes. This dialogue should also include the Russian Federation. Washington should recognise the potential benefits of the European Union's policy of 'conditional engagement' provided that the Europeans really keep it conditional: thus if Iran actively persisted with a nuclear weapons programme, or seriously undermined order in Iraq or Afghanistan, the EU would take political and economic sanctions. Above all, the US and Europe, together with Russia, should unite behind the demand that Iran live up to all its non-proliferation commitments – starting with full and unfettered access for IAEA inspectors to all nuclear sites.

Terrorism

Transatlantic co-operation on fighting terrorism has improved dramatically since the attacks of September 11, 2001. Importantly, it has continued to strengthen, even as differences in other areas emerged. In particular, we are building stronger intelligence and law enforcement ties not only bilaterally, but also between the United States and EU institutions such as Europol and Eurojust. Deeper intra-European co-operation (as for example on the common arrest warrant) opens new vistas for even closer US-European collaboration. The two sides should build ties between the new US and European institutions that deal with terrorism. Our common work in promoting peace in the Middle East and development in the Muslim world is an important element of this overall strategy. Leaders on both sides of the Atlantic must make clear to their publics that terrorism constitutes a challenge that threatens us all.

Weapons of mass destruction

Europe and the US should embark on a serious dialogue on the spread of weapons of mass destruction. The proliferation of technologies and materials, and especially the risk that these may fall

into the hands of states or groups which are unstable and hostile to the West, should concern Europeans as much as Americans. The US and Europe should agree that this threat calls for a broad spectrum of policy responses.

Specifically, the US and Europe should agree that the WMD non-proliferation regime must remain the basis of policy, and that this regime needs strengthening and developing. But they must also agree that the treaties making up this regime are not, in themselves, sufficient. A number of measures, including, as a last resort, the use of force, may be required to enforce compliance with non-proliferation treaties. Moreover, in extreme cases, where the proliferating state or group clearly shows an aggressive intent, preventive military interventions may be needed. However, such actions should have the widest possible international support. To that end, UN authorisation, though not a prerequisite, would be highly desirable.

Development

Poverty does not necessarily create terrorists. But a sense of hopelessness foments unrest, undermines states, nurtures fundamentalism and drives emigration. It is clearly in the interest of the US and Europe to tackle the root causes of these ills. What is needed is a shared willingness to commit the resources that are required to accelerate economic development, alleviate the ravages of disease and improve standards of governance. Promoting trade and encouraging private investment have a crucial role to play in the development process. If necessary, a new and more ambitious development strategy should include the possibility of direct military interventions in failed states, to prevent humanitarian disaster, and if possible under UN auspices. With the Millennium Challenge Account, the US has reversed a long period of decline in its development effort. It should now put this renewed financial commitment to good use by forging a strong multilateral effort – together with Europe and other donors such as Japan – to tackle the most pressing development needs.

Trade

Protectionist pressure has always imperiled the growth of world trade, on which the prosperity of all depends. But worries about security and the fragile state of transatlantic relations have now become a sizeable additional threat. The US and the EU must act together to bring the Doha development round to a successful conclusion. A central priority for the G8 summit in Evian should be to move ahead with the round. The immediate requirement for the US is to accept the broad consensus of WTO members on lifting patent restrictions and on promoting developing countries' access to cheap medicines. In turn, the EU must accept that liberalisation of its Common Agricultural Policy is a political as well as an economic imperative.

Climate change

Closer transatlantic co-operation is required to tackle global climate change. While some scientific uncertainties remain, policy-makers on both sides of the Atlantic accept that climate change presents a serious threat that warrants shifts in policy. But an effective global solution to climate change is unlikely in the absence of a transatlantic agreement.

To bridge the divide both sides will need to change policies and behaviour. Europeans must recognise that there are flaws with the Kyoto process (particularly with respect to the performance of some EU members in meeting their targets, and the lack of involvement of the developing world), and that continued insistence on the United States rejoining that effort will not produce the desired result. The United States must be prepared to put forward alternative proposals that meaningfully address the problem by reducing carbon emissions. Both sides will need to show leadership in the face of entrenched domestic political constituencies that resist meeting the tough challenge of reducing greenhouse gas emissions.

Conclusion

The US and Europe need to strike bargains and co-operate on these and many other issues. Clearly, a shared engagement to devise common strategies requires a genuine commitment to a search for

consensus. That is why in future American and European leaders should refrain from publicly voicing disagreements through the media before – or while – they are discussed behind closed doors.

We are aware that the rules of international law which govern the legitimacy of military measures require a careful re-examination, and possible adaptation to the contemporary circumstances of terrorism, weapons of mass destruction and massive violations of human rights. However, it is of the utmost importance that this re-examination and adaptation be done jointly.

A rejuvenation of transatlantic co-operation requires changes on both sides. Americans need to understand that policies intended to divide Europe are not conducive to healthy and constructive transatlantic relations. By the same token, the Europeans will not be able to pursue an ever-closer Union if they seek to build up Europe as a counterweight to the US.

Ronald Asmus	German Marshall Fund
Rafael Bardají	Real Instituto Elcano
Christoph Bertram	Stiftung Wissenschaft und Politik
Carl Bildt	Former Prime Minister of Sweden
Richard Burt	Former US Ambassador to Germany
Ivo Daalder	The Brookings Institution
Marta Dassù	Aspen Institute Italia
Thérèse Delpech	Atomic Energy Commission of France

James Dobbins	RAND Corporation
Steven Everts	Centre for European Reform
Lawrence Freedman	King's College London
Philip Gordon	The Brookings Institution
Charles Grant	Centre for European Reform
Ulrike Guerot	German Council on Foreign Relations
Karl Kaiser	German Council on Foreign Relations
Charles Kupchan	Council on Foreign Relations
Christopher Makins	Atlantic Council of the United States
Dominique Moïsi	French Institute for International Relations
Simon Serfaty	Center for Strategic and International Studies
James Steinberg	The Brookings Institution
Fred van Staden	Clingendael Institute

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Appendix II

Britain's diplomatic defeat

An earlier and shorter version of this article appeared in the June 2003 issue of Prospect.

By the time that American and British forces entered Baghdad, many people had forgotten the diplomatic defeat which preceded the war. In January 2003 Tony Blair persuaded George Bush that they should try to achieve a further UN Security Council resolution, in effect authorising the use of force in Iraq. The British and American governments worked hard for a resolution and thought they would get it. Only when Jacques Chirac announced that he would veto a resolution “whatever the circumstances”, on March 10th, did they realise they would fail.

France, Russia and Germany out-maneuvred Britain and America, with only Spain and Bulgaria – of the UNSC members – backing the Anglo-Saxons. With the benefit of hindsight, the US and the UK would have been better advised never to try for the second resolution, but simply to say – as they ended up saying – that resolution 1441 and earlier resolutions provided sufficient cover for military action. The fact that they tried and failed to win further UN backing made the war seem less legitimate than if they had never tried.

The British and the Americans should have listened more attentively to the French, who in January and February told them very clearly – in private – that they should not go for a second resolution. The thrust of the French message was: “If you must go to war, do it on the basis of resolution 1441; we would criticise you, though moderately. However if you seek another resolution to authorise

war, we shall fight against it.” Bush would have been happy not to return to the UN, but Blair wanted the resolution.

A further resolution would have made it easier for Blair to get Labour Party support for the war. So it was important for him to go through the motions of being seen to try and get UN backing – and that would have been the case even if he had thought the effort would fail. But in fact the government believed it would get the resolution. When it did not Blair was saved by Chirac’s behaviour, which was (in British eyes) so unreasonable that France could be blamed for the absence of UN cover; and by the war’s relatively short and bloodless outcome.

This is not a story of a particular department or individual making mistakes. The Downing Street/Cabinet Office combination, the Foreign Office and the Ministry of Defence are much more closely integrated than their equivalents in Washington, Berlin or Paris. And the key individuals involved are mostly brilliant men – and just one woman, the head of MI5 – who work unbelievably long hours in the service of their country.

However, the system as a whole got some things wrong. In the words of one senior Whitehall figure: “Something was moving between France and Germany [which we did not understand], and the US did not try hard enough with Russia...We did not read the French right, and we got Russia wrong.” The British government did not allow for the group dynamic between France, Germany and Russia. There were strong reasons for thinking that each of them – looked at individually – would not want to oppose the US until the bitter end. But each of them was emboldened by the knowledge that the other two were standing firm.

What is surprising is that so many people in London remained so optimistic for so long. In mid-February, on a visit to Moscow, Russian officials told me that President Putin was prepared to use a veto to prevent a UNSC resolution. I did not believe them,

thinking that Putin would not want to endanger his new friendship with Bush. But back in Britain I relayed what I had heard to a senior figure in the government. He told me that what I had been told was rubbish. Putin would agree with the last person he spoke to, he said, and that person would be George Bush. This figure then told me he was certain the UNSC resolution would gain a minimum of nine or ten votes in favour.

The government also thought it unlikely that the French would dare to veto the resolution. Of course, it is easy to be wise after the event, and if Germany and Russia had not stood firm, Chirac might have hesitated before threatening a veto. However, I shall never forget a trip that I made to Paris at the end of January. I went to see several senior figures in the French administration, who know me well enough to speak very frankly. They all assured me that Chirac was determined not to allow the passage of any UNSC resolution that gave diplomatic cover for war in Iraq. It was evident from these conversations that Chirac was not listening to the advice of some of his key officials, who were counselling a more cautious strategy.

Surprised by what I had heard, I wrote a short note to some of my Whitehall contacts, explaining that I could see no chance of Chirac softening his line on a second resolution. Some British diplomats shared my view, but the government as a whole continued to believe for at least another month that the French would become more flexible.

Several Foreign Office diplomats blame 10 Downing St for the excessive optimism – yet some overseas embassies shared that rosy view. Why did the government machine get things wrong? I am not sure of the answer, but part of it must be that Blair himself is so infectiously optimistic. He tends to believe in his own very considerable powers of persuasion. His ‘can-do’ approach to problem solving often rubs off on those around him. Some of Blair’s officials seem in awe of his charisma.

Another part of the answer is that the machine is sometimes too willing to believe what the Americans say. The State Department advised that the African and Latin American members of the UNSC would come out in support of the second resolution – but they never did. The National Security Council, under the leadership of Condoleezza Rice – a noted Russia expert – stuck with the view that Putin would not oppose the US. And some of the Pentagon advice was that the war would last no more than “a week or so” – a prediction that turned out only a little over-optimistic.

“We under-estimated the dislike of the US around the world – many small countries didn’t like being pushed around,” said one senior Whitehall figure after the war was over. “It did not go down well when the US said, ‘we will go to the UNSC, but if there is no resolution, we shall go to war anyway’...we failed to pick up the warning signs of what was a kind of peasants’ revolt.”

That honesty is impressive – but also alarming, given how much money Britain spends on its embassies and intelligence services. There are at least a couple of lessons to be learned from this affair. One is that the British government should not believe everything the Americans tell it. The other is that Blair might benefit from having a senior political figure close by, to question the advice of officials – and challenge his own judgements. In the words of one Foreign Office man, quoting Lady Thatcher, “every prime minister needs a Willy [Whitelaw]”.

Let us suppose that Blair had got the message much earlier than he did that a follow-up resolution to 1441 would fail. One suspects he would have gone to war anyway. He clearly believed that deposing Saddam was the right thing to do. However, he probably would not have pursued the chimera of a follow-up resolution for as long as he did – and he would have saved himself some embarrassment. Nor would he have pushed the French and the Russians to such extremes to prevent the passage of the resolution. The row over Iraq might have inflicted less diplomatic damage.

When a shorter version of this piece appeared in *Prospect*, someone in the British government called to say that I had been a little unfair. “We could not have known the French would stand firm for so long, for we had indications from Paris that they would soften their position,” he said. But perhaps the British listened to the wrong French voices. According to someone in the Schröder entourage, the German and French foreign ministries, like the British government, did not understand the bonding between Schröder and Chirac on Iraq. But from January onwards, he says, the Chancellor knew for sure that Chirac would not let the resolution pass.





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TRANSATLANTIC RIFT: HOW TO BRING THE TWO SIDES TOGETHER

Charles Grant

The Iraq conflict divided the West into two hostile camps. Charles Grant shows how human error and longer-term economic, political and military changes have undermined western unity. He argues that Europeans and Americans can heal the wounds by working together on common problems such as Iran, Iraq, the Middle East peace process, weapons of mass destruction and the principles of military intervention. He concludes with a plan for restoring the *Entente Cordiale* between Britain and France.

Charles Grant has been director of the Centre for European Reform since 1998. He was previously defence editor and Brussels correspondent of *The Economist*.

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