



# Mapping the Future of the EU-US Partnership: Policy and Research Perspectives

A Synthetic Overview of the Proceedings

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# Mapping the Future of the EU-US Partnership: Policy and Research Perspectives

Edited by Erik Jones and Angela Liberatore

*A Synthetic Overview of the Proceedings*

Conference held in Brussels on 25-26 January 2010

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## Preface

While some observers consider that we are moving towards a raise of 'the Pacific', transatlantic relations remain crucial for each other side of the ocean and for the international system. To understand how the EU and the USA can or should cooperate, it is necessary to examine both the changes in the international context and the changes within the EU and the USA.

The rise in power of countries like China, India or Brazil as well as the renewed super-power projection of Russia and the key role of regional powers are not making the role of EU-USA relations less important, but eventually even more relevant. Convergence or divergence between the EU and the USA have important implications for issues ranging from tackling the financial crisis and climate change, to fostering conflict resolution in the Middle East or the Horn of Africa, enhancing the role of multilateral institutions, prevent nuclear proliferation or human rights abuse.



Jean-Michel BAER

Convergence and divergence is not only at play between the EU and the USA, but also within each context. Handling diversity rather than repressing it is – after all – a core aspect of democracy, and Europe and the USA are at the same time representing different experiences and models of democracy and sharing many of the challenges posed to democracies by globalisation, fast technological development, socio-economic polarisation and other factors. The change which has been brought about by President Obama in a number of policy areas and in political discourse is significant both within the USA and in the relations of the USA with Europe and other partners. The EU is in a continuous balancing of 'unity and diversity', of 'deepening and widening', while strengthening over time competences and capacities, and is now to harvest the changes brought about by the Lisbon Treaty.

The question then is whether we may be able to have both the EU and the USA renewing themselves and playing a constructive role in a multipolar world, considering their common as well as their different interests and values.

Whether we are moving towards a 'smart(er) power' – and what would be the impacts – is a question for analysis and debate. What is less debatable is that the EU has been insisting on the need to develop a knowledge-based economy and society, and the Commission considers research an important (while surely not unique) input for its policy formulation and implementation.

The Conference held in January 2010 is an example of research/policy dialogue from its very organisation (which brought together colleagues of the Directorate General for Research and the Directorate General for External relations) to the actual debate – involving researchers from Europe and the US, high level diplomats, senior and junior officials, Members of the European Parliament. We hope that the lively exchanges at the Conference and these proceedings, – that intend to provide a short overview in the spirit of 'verba volant, scripta manent' – can help reflection and lesson-drawing for a strategic EU-US partnership.

Jean-Michel BAER  
*Director Science, Economy and Society*





## Executive Summary

On 25 and 26 January 2010, the European Commission hosted a Conference involving representatives of the research and policy communities from Europe and the United States. The Conference included six sessions and three plenary events that covered the gamut of issues ranging from the wider context to the specific challenges confronting the trans-Atlantic relationship. This summary does not repeat the presentations that were made on those two days. A partial written transcript is attached for information. Rather this summary provides a **synthesis** of the points that were made and prospects for future action.

The EU-US relationship exists within a **global context** that is marked by a high degree of interdependence and a growing sense of multi-polarity. The United States remains the predominant actor but other powers are rising in significance, most notably in Asia. The change is palpable even if difficult to measure and there is some concern that Europe may find itself confronting this new world without a clear role. More important, there is much agreement that Europe and the United States depend upon one another to pursue their separate interests and to forge a global agenda. This partnership is necessary even if insufficient. Given the high degree of interdependence, even the trans-Atlantic relationship is unable to respond to global challenges when acting alone.

The election of Barack Obama in the United States and the implementation of the Lisbon Treaty in Europe creates an important **window of opportunity** for closer relations. Both sides of the Atlantic benefit from deep economic relations and they share fundamental values as well. Moreover, the US has recognized the need for partnership with Europe both historically, over the long term, and more recently since the start of the second administration of George W. Bush. What is different with Obama is that he has the popularity in Europe to heal the divisions created by the war in Iraq. Meanwhile, the European Union is set to move beyond its institutional introspection and to build a more coherent foreign policy identity around its new European Council President (Herman van Rompuy) and its new High Representative for External Affairs (Cathy Ashton).



William KENNARD and Anneli PAULI

The **specific challenges** to be faced range from the current economic crisis and the struggle to combat climate change, to the promotion of human rights in a context of justice and security and the stabilization of the wider European neighbourhood (including, most important, pacification of the conflict in the Middle East). These are all areas where progress has been mixed and cooperation uneven. Nevertheless, there is a real opportunity to build upon what has been achieved and to assert joint leadership at the global level.

Effective trans-Atlantic cooperation will depend upon a **paradigm shift** in the pattern of the relationship. Where in the past the United States and Europe focused primarily on their shared obligations to NATO, now they must place more emphasis on relations between the US government and the European Union as a whole. This new paradigm will involve changes in the pattern of US representation in Brussels, forging closer cooperation between the US Mission to the European Union and the US Ambassador to NATO. Much of that is already underway. It will also involve the strong involvement of legislators – especially considering the enhanced role of the European Parliament following the adoption of the Lisbon Treaty – and the adoption of a more full-spectrum approach to security and international relations – including crisis management. Here both Europe and the United States have a lot to teach one-another about how best to pursue their separate and common interests in the wider world. They also have the chance to define a strategic partnership with clear operational objectives and complementary roles.

Success in defining this new strategic partnership will hinge on the strength of underlying **policy research**. The time for high-minded theoretical observations about the trans-Atlantic relationship has passed. Now it is essential to make concrete and practical suggestions for how best to move forward. This Conference was only the first step in that process – one aided by considerable investment through the Framework Research Programme in policy relevant research. Clearly, however, there is still considerable work to be done.

## Introduction

Relations between the European Union and the USA have been a vital component of the foreign policies of both partners and have played a key role in shaping global developments. Heightened cooperation as well as instances of tension and competition have characterized this close relationship, and now both partners are facing great change in their domestic and international environments.

- ★ Are such relations still important and strategic in a changing and increasingly multi-polar world?
- ★ How do the EU and the US deal with each other's expectations, values and interests in addressing issues such as sustainable recovery from the financial crisis, climate change, and the protection of fundamental rights while ensuring security?
- ★ How do they see and interact with other countries and actors in the European neighbourhood as well as in other regions of the World and in institutions responsible for international law and global governance issues?
- ★ What are the prospects for the upcoming years?

These are among the questions that were addressed by the conference '*Mapping the Future of the EU-US Partnership: Policy and Research Perspectives*' organized by the Directorate General for Research in cooperation with the Directorate General for External Relations of the European Commission and the support of the Spanish Presidency of the EU, and involving researchers and policymakers from Europe and the USA. The purpose of the Conference was two-fold. First, it was to draw together many of the research findings of the various projects supported by the European Commission through its EU-wide framework funding programs over the past several years. These programs are designed to highlight the social, economic and political implications of research in ways that can help to foster effective policymaking in the European Union (EU) and elsewhere. Second, the seminar was designed to create a dialog between researchers and policymakers so that the fruits of this research can be translated into a meaningful policy agenda. The framework projects all place great emphasis on the role of end-users in the dissemination of research. This Conference placed that emphasis at the forefront.

The Conference unfolded over a two-day period and involved keynote presentations and commentaries from a wide range of research and policy perspectives. The program for the meeting is attached to this synthesis as Annex 1. Within that program, the discussion was equally weighted between general considerations and specific challenges. Speakers addressed a range of topics from the broader context of world affairs to the specific window of opportunity for closer cooperation across the Atlantic, and from the challenges to be found in the areas of economics, the environment, fundamental rights and security, the European 'neighbourhood', to the emergent structure of global power. Although there was considerable deliberation about basic principles – How do we understand the global system? What is the nature of state power? Which are the values we seek to defend at home and promote abroad? What are the dimensions of security? – moderators played an important role in guiding the discussion to draw out more practical considerations and operational concerns.

The result was a rich and varied conversation to which no single synthesis can do justice. A partial transcript of some of the proceedings is attached as Annex 2 to give a sense of the debate. Nevertheless, it is possible to draw out some of the common or unifying elements from the many conference presentations in order to build a foundation for further deliberation. The goal of this synthesis is limited to setting a benchmark from which to move forward.

This synthesis creates an argument that is slightly different in structure from the seminar itself. It moves from the general to the particular and back out again, starting with the global context and window of opportunity before progressing to the specific challenges, the change in the trans-Atlantic paradigm that is required to meet them, and the need for further policy relevant research looking to the future. The discussion concludes with a brief note about the need to continue widening the policy research community and points to further efforts that the Directorate General for Research of the European Commission already has in train. A list of seminar participants is attached as Annex 3. That list is only partial because expressions of interest greatly exceeded available space.



Erik Jones – General view

## The Global Context

The trans-Atlantic relationship exists within a web of interdependencies that has grown significantly denser and more important over time and particularly since the end of the Cold War. The European Union (EU) evolved from the European Economic Community to integrate competences and ambitions in the fields of home affairs and foreign policy while enlarging to countries that had been beyond the 'iron curtain' for decades; in spite of such achievements, the EU role in world affairs remains at times unnoticed and other times ambiguous. During the same period, the relative preponderance of United States (US) power has diminished. The US remains undoubtedly the world's most influential actor and it is likely to continue in that position for the foreseeable future. Nevertheless, the relative advantage that the United States holds over potential rivals is diminishing, particularly with respect to China. Therefore it is unlikely that the US will be able to dominate in a unipolar world. Indeed, it may not be an exaggeration to insist that the age of US unilateralism is over.

The question is what this combination of intense interdependence and growing multi-polarity entails – and whether it is different from previous moments when the world was organized around multiple and competing powers. The latter half of this question is in some sense more important than the former. There was a long period of time in which the idea of multi-polarity was regarded with trepidation; multi-polarity was not just an opportunity for competition, it was also a source of instability and conflict in international affairs. Given the potential for conflict to result in violence that could cause significant damage both to the participating countries and to the world economy as a whole, it is worth considering carefully whether we should celebrate a return to a multi-polar world order and what are the relations between multi-polarism and multilateralism.

That said, the past is not prologue – or, to borrow from Mark Twain, history does not repeat itself but it does rhyme. The extent of interdependence constitutes the qualitative difference between the multi-polarity we witness today and the balance of power experienced in times past. Given the degree to which countries depend upon one-another for trade, natural resources, and network infrastructure, or to internalize the externalities related to migration, environmental degradation, and the like, it is possible to argue that destabilizing competition is now more tightly constrained than ever before. Theorists have long speculated that interdependence could lead to peace. The fact that they were wrong in the past does not mean the present cannot be different.

This peace or stability through interdependence is not an unmitigated benefit for the global system, however, because it also implies that the individual participants are less well insulated from consequences of decisions taken elsewhere. The new multi-polar world may be less prone to violent generalized conflict – while surely a place where local and regional conflicts do take place, and some security threats are considered as global – but it is more susceptible to joint decision traps, the logic of collective action, or other forms of sclerosis. Hence the new multi-polar world places a premium on leadership that the old balance of power with its proclivity to self-help did not require. Worse, this combination of multi-polarity and interdependence – called 'inter-polarity' by some – is structurally asymmetric; leadership cannot emerge just anywhere in the system because only a few actors hold sufficient prominence or influence to assert control.

The North Atlantic region is one such prominent actor, at least when the two sides of the Atlantic are willing and able to work together. Hence trans-Atlantic leadership promises to benefit the world as a whole. At least that is the theory. The reality is that we cannot be sure about either the structure of the international system or the role of the trans-Atlantic relationship within it. Our measurement of multi-polarity is imprecise at best and we may find that it is more a figment of our imagination than a useful description of the world. Consider again the North Atlantic region. The United States is a powerful actor. The European Union still struggles to assert characteristic features of 'actorness'. Moreover, what is true for the North Atlantic is true for emerging powers as well. While it is possible to point to the rise of China there is a vast difference between that country and the rest of the world. Brazil, Russia, India and China come together as a useful acronym, but they are hardly able to assert a collective leadership role.

The high profiles of the United States and China have encouraged many to speculate that we are headed to a G-2 condominium. The powerful symbiosis between the world's largest national economy and the world's most populous country reinforces the presumption that they play a dual role. The United States has been the consumer of last resort for Chinese manufactures even as China has bankrolled US consumer spending and fiscal deficits. Moreover, there is little chance that the two powerful countries can become easily disentangled. They may experience moments of high tension – such as that surrounding the cyber attack on Google or arms sales to Taiwan – but they remain locked in each other's embrace. China cannot sell its dollar denominated assets without doing terrific damage to its own foreign exchange holdings and financial investments; the United States cannot eliminate its reliance on Chinese supply networks and market potential.

Despite the close intertwining of the Chinese and American economies, however, there is little chance that the United States and China will unite to lead the rest of the world. The two countries are hugely different in ambitions and outlook and the prospects for partnership are better for each elsewhere. Hence while we may presume the potential significance of a G-2 partnership, we are more likely to witness effective leadership in some other part of the globe. Trans-Pacific relations are monumentally important; trans-Atlantic relations remain the focus for attention and concern.

The strength of the trans-Atlantic relationship is moral as well as material. The United States and Europe share many fundamental values. Consider, for example, their approach to human rights. It is difficult if not impossible to find two parts of the world more similar in their promotion of individual liberty, gender equality, freedom of expression, and rule of law. Indeed, it is easy to forget how recent these developments are even for the United States and Europe. Not long ago it would have been difficult to find these values supported by the regimes in charge in Greece, Portugal, Spain or Turkey. Central and Eastern Europe was under communist dominion. Even the United Kingdom felt compelled to curtail civil liberties as it struggled to deal with its own domestic 'troubles' in North Ireland. For its part, the United States still labors to achieve its civil rights agenda: much has been accomplished but there is a long way yet to go, and human rights abuses in Guantanamo and in other cases are part of the Bush legacy that the Obama Administration tries to rectify.

Outside the North Atlantic region there are only a handful of countries that could match the achievements of this human rights consensus. Some emerging powers are not among that number while others are committed to democracy and human rights – India being the largest democracy in the world. It is difficult to see how most emerging powers could be relied upon to lead a global human rights agenda or even to act as strong partners where human rights are concerned. On the contrary, they are more likely to promote a vision that prioritizes development over liberty and that places premium on positive over normative concerns.

The point here is not to pass judgment on such priorities. Given the domestic challenges that emerging economies must face, their choice to focus on development is understandable. Nevertheless, it is important for the countries of the North Atlantic to make note of this difference even if only to underscore the uniqueness of what they have achieved. A similar point could be made with respect to the environment and in reference to combat global warming. Developed countries are in a better position technologically and in terms of productivity to give priority to sustainability over growth. The developing countries – and emerging powers chief among them – do not necessarily recognize the same trade-offs or priorities. They are willing to make significant contributions, and China has been at the forefront in adopting energy efficient technologies, but they continue to operate under different imperatives and they take exception to the prospect of slowing their development in order to reverse environmental damage that was created by advanced industrial societies during the period in which they amassed their stockpile of wealth.

These negative differences between the North Atlantic region and other parts of the world are part of the explanation for trans-Atlantic partnership; the positive flows of trade and investment between the two sides of the Atlantic are the rest. Together, Europe and the United States contribute more than half the world's economic activity – much of which flows from one side of the Atlantic to the other. As a result, even a modest improvement in the efficiency of trans-Atlantic economic relations promises to yield more in terms of pecuniary benefit than a major change in the global trading system as a whole. To give an example, a new trans-Atlantic aviation agreement may offer as much prospect of economic gain as the successful completion of the Doha Round of multilateral trade talks.

Yet for all their common interests and economic advantages it is clear that the two sides of the Atlantic cannot achieve their objectives while acting alone. This can be seen working backward through the last three examples. Whatever the advantages of a new aviation agreement, the Doha Round is important to stabilize trading relations between Europe, the United States, and the developing world. The problem is that neither Europe nor the United States can drive the talks to a successful conclusion. Even the two sides of the Atlantic working together cannot control the outcomes while acting alone. They can assert global leadership in the talks but their success is contingent on whether they can bring the Chinese and the Indians along. The same is true with efforts to combat climate change. US-European partnership is important but yet still insufficient to ensure success. Finally, there is the notion of democracy promotion and peace building, particularly in the Middle East but elsewhere as well. The experience of



Daniel HAMILTON

the last decade is that the United States cannot achieve its objectives acting alone. It is doubtful whether the European Union can play a determining role without US support either. Yet even in tandem there is only the prospect – not the certainty – of success.

The trans-Atlantic relationship is a necessary focal point for leadership in the new global system. But even a strong partnership across the Atlantic in no guarantee that attempted leadership will translate into policy success. On the contrary, the deepening bonds of interdependence and the relative strengths of other actors conspire to make the international system ever more difficult to manage. We cannot be sure that this is leading to a true multi-polar and multilateral world order; we can only observe that it is more than any one country or group of countries acting alone can handle. We can also suggest that while the relative position of the United States is diminishing, the relative position of Europe is declining further and possibly faster. This raises the prospect that even if we find ourselves in a multi-polar world there is no guarantee that Europe will feature as a significant pole. From a trans-Atlantic perspective, such concern is surely overstated – particularly given the common values and common interests that both sides of the Atlantic are known to hold. Viewed from a trans-Pacific perspective, however, the prospect of Europe's progressive irrelevance is another matter altogether. It is one thing to challenge a group of Atlanticists to consider the rise of the Pacific; it is another to question whether a group of Pacific-minded researchers and policy-makers would ever bother to be so bold.



## A Window of Opportunity

The prospects for a strong trans-Atlantic relationship look better now than they have been in years. In part this is due to a clear recognition in the United States that unilateralism is not the answer. This realization set in already at the start of the second George W. Bush administration and it explains why both President Bush and his newly appointed Secretary of State Condoleezza Rice made trips to Europe almost as soon as they were sworn in. That realization is even stronger today. Indeed, Barack Obama is probably the United States' most intuitively multilateral President. And while it may be true that Obama is less Atlanticist than many of his predecessors – both because of his unique cultural roots and because he is part of a generation that was always more inclined to look East than West – it is also worth noting that he has made prominent trips to Europe, not least during his presidential campaign. Europeans could ask for more, both from the President and from his administration, but it is hard for them to deny that the tenor of the trans-Atlantic relationship coming from the American side has changed.

The Europeans have changed as well, both in their attitudes toward the US President and in the organizational and representational structures that they can now bring into play. 'Obama-mania' is the most obvious manifestation of a Europe transformed. Public opinion polling data of the 2009 Transatlantic Trends Survey shows huge majorities expressing personal affinity for Obama and the societal transformation that he represents. Obama's message of hope and change resonates widely in Western Europe and particularly within those countries where



William KENNARD, Angela LIBERATORE, Alar OLLJUM and Pēteris ZILGALVIS

tension was the highest at the start of the Iraq campaign. This affinity is only partial insofar as it is much more pronounced in most West European countries than in some of the formerly communist countries of Central and Eastern Europe. It may prove fleeting as well, once the travails of the economic crisis take their toll on popular attitudes toward any political leader, let alone the President of the United States. Nevertheless, popular support for Obama is still important insofar as it makes it easier for European politicians to explain why they support a strong trans-Atlantic relationship in the first place.

The organizational and representational changes come embedded in the Lisbon Treaty, the implementation of which promises to make it easier for the European Union to behave as a coherent actor on the international stage. The new President of the European Council, Herman van Rompuy, brings an added element of continuity to the EU's agenda and the new High Representative, Catherine Ashton, gives the EU institutions a more unified external face. Moreover, these are not the only important innovations. More subtle changes in the structure of policy competency create new opportunities for trans-Atlantic cooperation as well. For example, the decision to make policy related to justice and home affairs subject to co-decision with Parliament means that members of European Parliament now hold something more closely analogous to a US Congressional (legislative) role – and therefore there could be mutual benefits from inter-institutional dialog with the Houses of Congress in the United States.

These changes in attitudes and institutions make it possible to build on the foundation of rules, norms and conventions that have developed over the past six years between the two sides of the Atlantic. Just as the *acquis communautaire* lies at the heart of European integration, this web of agreements and practices constitutes to core of the trans-Atlantic relationship. The strength of the bonds is unique in international affairs, and it explains why the trans-Atlantic relationship has so much potential. It also explains why the relationship is so complicated – because the issues it touches on extend beyond the traditional realm of foreign policy and into the core competencies of state policy on both sides.

The early indications are that this opportunity for strengthened partnership is not being wasted. Initial contacts between High Representative Ashton and US Secretary of State Hillary Clinton have been surprisingly warm. Nevertheless, it is clear that more could be done. The high profile visits of the US President have not always been well received by all parties; the visits of his Vice President, Joe Biden, have occasionally come up short as well. Then there is the sense of relative inattention that has been accorded the countries of Central and Eastern Europe. For example, in spite of President Obama visit and widely covered speech in Prague, the diplomatic mishaps that surrounded the decision to cancel the ballistic missile defense installations in the Czech Republic and Poland have been met with favour in some countries and sectors of public opinion but resulted in deep frustration and perhaps even a sense of betrayal by others.

More problematically, there is the sense that the window of opportunity is closing. The Europeans risk returning to their penchant for institutional introspection. For its part, the Obama administration is already showing signs of impatience and frustration. The United States needs friends if it is to assert global leadership but those friends have to be able and willing to play a constructive role. These are caricatures of course. Perceptions often distort the underlying reality in ways that mask important attributes or characteristics. The EU has a plodding

consistency that often works to its advantage; the US has a decisiveness that can be disadvantageous as well. Differences in perception can be revealing as well. What is obvious is that the two sides of the Atlantic have different temperaments – and, at times, different perspectives on issues, and these differences complicate the prospects for cooperation between them.

In abstract terms, the challenge is to agree on the necessary requirements. Under one formulation, the key is for Europe to focus on defining its own strategic interests. The EU can play an authentic role in world affairs only once these interests are known; the possibility for trans-Atlantic bargain hinges upon them as well. Another perspective places more emphasis on the success of the trans-Atlantic relationship in terms of common values rather than separate interests, process more than substance. What matters is the maintenance or display of cooperation much more than the relative advantages such cooperation may entail. European support for the Palestinian Authority illustrates the strategic interest tendency; proposals to create a free trade area in the North Atlantic illustrate the emphasis on values or process. Europeans have agreed to disagree with the United States over the best way to find peace in the Middle East. This has not always led to an effective engagement in the region by either the EU or the US, but it has carved out a vital European role – which the United States now recognizes as well. By contrast the economic advantages of an Atlantic free trade area are harder to identify while considered vital by some analysts. If there is tangible merit to the proposal, it probably lies in the symbolic cooperation that negotiation of a free trade area would entail.

There is no single best approach to nurturing a productive trans-Atlantic relationship and the abstract analysis can only push the debate so far. If the United States and Europe are to exercise constructive and effective global leadership, they will have to do so on a case-by-case and issue-by-issue basis while working in a multilateral framework in a consistent way. International forums like the G-20 can serve as force-multipliers and different third-party actors can be brought into the partnership, but there must be some clear and practical agenda for action first.



Gerhard SABATHIL and William KENNARD

## Specific Challenges

The Conference participants considered four major challenges: the global economic crisis, climate change, conflict and development in the European neighbourhood, and the relations between fundamental rights and security (including in the fight against terrorism). For each of these they discussed a mix of general and particular considerations. They also made suggestions for future action which, while not adding up to a comprehensive agenda, did illustrate areas for fruitful trans-Atlantic cooperation.

### Toward Sustainable Recovery

The economic crisis of 2008-2009 started in the United States but soon spread across the globe, with particularly strong effects in Europe. This demonstrates in very concrete terms the high degree of interdependence. The challenge has been to come up with an effective response. In this area, the United States and Europe have shown an important dimension of their relationship – their capacity to learn from each other. Throughout the crisis different experiments have been undertaken on one side of the Atlantic or another. Those that have been successful have been widely copied soon thereafter. Early French emphasis on rescue, reform, and supervision within the G-20 is one example; the interaction between the European Central Bank (ECB) and the US Federal Reserve (the ‘Fed’) is another.

What has not been evident is a close policy coordination between Europe and the United States. Instead, they have behaved independently. This has been successful in holding protectionist pressures at bay and yet those pressures have not fully abated and so the risk of a return to protectionism remains. More important, there is little evidence that the underlying imbalances have been eliminated. Although the proximate effects of the crisis have dissipated, bank balance sheets still need to be cleaned up, lending practices reformed, and the regulatory structure of the global financial system needs overhauling. The G-20 can help to extend these measures to third party actors but it cannot replace (or repair the absence of) trans-Atlantic cooperation at the core. Persistent global macroeconomic imbalances are another case in point. The huge trade deficits in the United States are offset by huge surpluses in China. One party to this transaction cannot correct the problem without the cooperation of the other. And while it is possible to suggest that the effects of the imbalances are even more damaging for China than for the United States, that is no guarantee that China will work quickly toward a common solution.

The situation is complicated by the growing imperative for welfare state reform. The current development model in advanced industrial societies is unsustainable. This is most obvious in Europe but it applies to the United States as well. Adverse demographic trends and rising social welfare costs are part of the problem; the need to transition to a new and more sustainable low-carbon energy infrastructure is the other challenge – as well as being a possible solution. The overall challenge is to meet these structural concerns without exacerbating social inequalities and creating unacceptable levels of income inequality or unemployment. Labor market efficiency must be increased to ensure an adequate matching of existing workers – as well as entry of younger workers in the labor market – and new jobs. In addition fiscal and monetary policies need to be part of a recovery strategy.

A common values approach to these problems is not the answer. Too many important actors in the world economy simply do not share those trans-Atlantic values, and there are still significant differences (e.g. as to the role of welfare provisions) between the two sides of the Atlantic. Hence it is necessary to look for precise institutional fixes, to encourage their adoption across a range of countries, and to promote a strategic convergence of their economies as a result. The European Union's open method of coordination promises to resolve at least part of this challenge by fostering shared-best-practice and by creating forums within which policy experimentation and policy learning can be diffused. Nevertheless, the experience of the European Union reveals the limits of a voluntary approach to this type of reform agenda. The successes of the open method of coordination in terms of policy innovation have been overshadowed by the failure of the member states on the implementation side.

What is true for the European Union will be even more true for the G-20 writ large. Although the procedures for policy development adopted at Pittsburgh mirror European patterns of multilateral surveillance they are also, if anything, even weaker on the enforcement side. Therefore in addition to promoting strategic convergence, the trans-Atlantic partnership must develop a system of incentives that can ensure policy innovations result in practical effects. This is true particularly in terms of financial market regulation but it applies more widely to the whole process of welfare state reform as well. Moreover, failure is not an option because as the weaknesses of our domestic development models become more apparent the pressure for protectionism at the international level can only increase.

As a practical matter, Europe and the United States need to finish the Doha development agenda, they need to strengthen policy coordination within the G-20, and they need to reinforce the EU-US energy council, which to date has achieved only modest success. It may also be important to avoid creating symbols of cooperation that deflect attention from the need to achieve meaningful progress. In this sense, one should examine the relative merits of creating a free trade area in the North Atlantic because the practical effects of such an arrangement may be less important than can be achieved in other areas where cooperation should be fostered.

## Climate Change after Copenhagen

The movement to a low-carbon energy economy has many motivations, of which the struggle to combat climate change is key, while not the only one. Tackling climate change may be the most complex and important policy challenge that countries have to face over the medium to long term. This was clear at the recent Copenhagen summit. Although the results of the summit were disappointing to many, it is important to consider the effort that went into the negotiations and the evidence of priority that such effort entails. For example, the final accord was handled by the heads of state and government directly and not by their delegated 'negotiators'. This is unprecedented in modern international summitry – indeed it is hard to find a similar episode since the end of the Second World War.

Priority is not the same as consensus. Important issues foster important disagreements and the struggle to combat climate change is no exception. Among Europeans there is a broad agreement on:

- ★ the goal to keep average temperature increases below two degrees Celsius;
- ★ the importance of limiting emissions from various sectors and deforestation;
- ★ the role of side payments or subsidies from developed to developing countries; and
- ★ the need for enforcement mechanisms to make binding commitments.

These principles are not universally accepted in the United States. There are some parts of the country that are close to or perhaps even beyond this European consensus and others that lag far behind. California is a good example of an environmentally progressive state. The California governor has built on a policy legacy focused on clean air and water conservation to give top priority to the struggle against climate change. These efforts have included not just changes in state regulation but international outreach as well – across the Pacific as well as across the Atlantic. In this sense, California demonstrates more than just the diversity of opinion in the United States; it also shows the huge potential for action by sub-national government.

At the US level the prospects for action hinge now on the success of the Obama Administration and its cap-and-trade legislation in particular. If Obama can succeed in winning approval for cap-and-trade, the EU and the US can build on that to create a global framework for managing carbon emissions. Without that legislation, however, a global market for carbon emissions is unlikely to develop and so progress in combating climate change is likely to suffer.

The Europeans and Americans can agree on the two degree ceiling for average temperature increases but they cannot agree on how much carbon emissions should be reduced or on who should make what contribution. This disagreement is even more pronounced once the conversation is extended beyond the North Atlantic to include other parts of the world – India and China in particular. Moreover, the situation is complicated by the way scientific consensus as managed by the International Panel on Climate Change (IPCC) is seen by various actors, including the wider public. Two examples illustrate the dilemma. One concerns the impact of climate change on Himalayan glacier ice; the other concerns the impact on violent conflict. The Himalayan glacier example is a straightforward case of a scientific error in the 900 page report. The IPCC admitted that Himalayan glaciers are thinning and retreating at a rapid pace, but not at a demonstrably faster rate than in many other parts of the world as stated in the report; such error damaged the IPCC reputation for impartiality (a reputation already targeted by ‘climate skeptics’ on the very point of the relevance of anthropogenic factors). The case of violent conflict is less straightforward. The relationship between the impact of climate change on key resources – such as water – and the possible implications for human security and eventually state security have been the subject of some studies and of media reporting on ‘water wars’ and ‘climate wars’. Empirical and peer reviewed research on such issues is however still in its infancy (and some of it points to cooperation rather than war as way of tackling resources’ scarcity) thus the IPCC tone relating climate change to conflict is cautious – with a partial exception for the chapter on Africa; this calls for further research on the issue to be integrated in future IPCC work.

Within the current context, there is little chance for agreement on making binding commitments on emissions reduction. Much of the disappointment over Copenhagen reflects that fact. Nevertheless, it is important to look for ways to take Copenhagen from disappointment to success. Although the Copenhagen Accord it is not the kind of agreement (in substance of form) everyone might have hoped for, it is still a foundation upon which to build. And there is much (while probably not enough) that can be accomplished even in the absence of international consensus and binding agreement. California is one example; Denmark is another. What the Danish case reveals is the very real potential to reduce carbon dependence in an advanced industrial society without sacrificing living standards. Indeed, the efforts may stimulation further growth through greater efficiencies and accelerated innovation. Given the currently high price of energy, the investment in reducing carbon dependence is likely to break even or perhaps turn a profit. Moreover progress is possible even without too broad societal changes like Denmark has witnessed. We could concentrate on electricity generation, for example, as a major route toward carbon independence.

Leadership by example is the best route forward in the absence of binding commitments. Moreover, in the environment as elsewhere, there is a real potential for the trans-Atlantic relationship to operate as a gravitational center. The closer Europeans and Americans work together to achieve a strategic convergence, the more likely others are to join in these efforts. This effect may not hold for China or India but it could be a start. Using Copenhagen as a point of reference, the trans-Atlantic partnership has the potential to move the conversation forward. Given the significance of the problem, time is of the essence.

### **EU-US Policy Complementarity in the European Neighbourhood**

There is no obvious reason to clump together countries as diverse as Belarus and Morocco other than that they sit on the borders of Europe. When talking about the European 'Neighbourhood', therefore, it is redundant to say that geography matters. If those countries were not geographically close to Europe, they would not be Europe's neighbors. Moreover, what is close to Europe is far from the United States. And even though the US holds strategic interests everywhere, it is (or at least should be) self-evident that US interests and European interests in those countries that border on Europe will be different – in either substance or degree of prioritization, or both.

Migration is a good illustration of this general principle at work. The EU must consider any impact of its policies (e.g. asylum, VISA, integration policies) on the flow of migrants across its borders. The United States has no such concern when the point arises in the Mediterranean or the former USSR. Were the conversation to focus on countries closer to the US than to Europe the situation would obviously be different. Mexico is a good example; Haiti – while in different forms – may be another. Similarly, the ways of dealing with energy security may take a different perspective if Russia or the Gulf countries are in the geographical neighbourhood or otherwise. Hence the question is not how much either Europe or the United States believes in the virtues of peace and stability; rather it is who suffers the consequences when these things break down and in what measure.

The focus for trans-Atlantic partnership in the European neighbourhood necessarily lies on complementarity rather than commonality. The question is how well the EU and the US can pursue their separate interests when working together. This question is complicated by perceptions. For example, Europeans tend to perceive the United States differently from how Americans perceive themselves. By the same token, Europeans tend to overlook the possibility that American interests in the European neighbourhood may be driven by what the US government believes is best for Europe – just as Americans may discount the extent to which the US pursuit of its own strategic interests in Europe may be regarded by Europeans as patronizing or paternalistic.

That said, there are a number of areas where the EU and the US can work together. These lie not only in the most obvious conflict zones of the Middle East which remain key to European and global security, but also (and perhaps more easily in terms of outcomes) in the ‘frozen’ conflicts of the post-Soviet space. Moldova, Azerbaijan, and Georgia are three clear examples. Resolution of these conflicts promises to offer strategic benefits to all parties. Moreover, they are areas where the United States may be prepared to accept and support EU leadership. Belarus is an example of a different sort. That country is marred not so much by conflict as by dictatorship. Moreover, both the EU and the US can agree that there is a need to push the regime toward more democracy and market liberalization. Where they differ is in the assets that they can bring to bear on the problem: The EU has more carrots, the US has more stick. Successful cooperation between the two sides of the Atlantic therefore hinges on their ability to bring some balance in their joint approach.

This point can be generalized to problems of energy security or economic and political reform. Both Europe and the United States have clear interests in ensuring that countries are not subject to energy-blackmail and in preventing any backsliding in economic development or the fight against corruption. Consider the case in the Western Balkans. While technically part of Europe rather than the wider neighbourhood, these countries show the extent to which both the EU and the US are committed to stability, development, and reform. The challenge is to continue those efforts rather than see the huge investment that has already been made go to waste.

The two flashpoints in the region concern Russia and the Middle East – meaning, primarily the Israel-Palestine relationship. With respect to Russia, the Europeans and Americans have fundamentally different approaches. The US is engaged in a strategic dialog; the Europeans are more deeply entangled in economic (mainly energy) relations. These different approaches are not necessarily contradictory. For example, the US sees European energy independence from Russia (or at least a diversification of energy resources) as part of the broader strategic terrain. Nevertheless, the differences in approach do fuel misunderstanding if not outright suspicion. The Obama administration’s decision to cancel its ballistic missile installations in the Czech Republic and Poland is a case in point where opinions diverged within and across European countries: the problem has less to do with the reasons for the decision than how (and when) those reasons were communicated.

The situation in the Middle East is perhaps more promising while extremely difficult. After years of following different approaches, the two sides of the Atlantic seem poised to make strategic accommodation. This is due in part to the obvious shortcomings of the old democracy-promotion agenda and in part due to the broader recognition that economic and social



development have become the central focus for concern in the region. The challenge now is to translate this nascent consensus into a program for action within which the European Union has a constructive and meaningful role to play. It is no longer true that only the United States can bring peace to the region any more than it is obvious that the EU can support the 'two states for two people' cause without assuming a greater operational responsibility. In this sense, the Middle East now illustrates the importance of bringing a more balanced trans-Atlantic partnership into play. The challenge of living up to that potential is becoming possibly greater for both Europe and the United States: as main funder of the Palestinian Authority and – at the same time – a stronger economic partner of Israel, the EU could and should be more assertive in its relations with both; at the same time, Obama's special envoy Mitchell is faced with huge expectations of solving the daunting Israeli-Palestinian conflict – something that he and the US cannot clearly deliver alone.

More generally, despite the important institutional innovations that have occurred under Lisbon, the EU is not a coherent actor analogous to a nation-state in dealing with its neighbourhood or beyond. Hence finding a more balanced partnership also means finding new ways to work together.

### Fundamental Rights, Justice, and Security

The challenge of finding ways to work together is not limited to institutions. Despite the many values that Europeans and Americans hold in common, there are subtle differences in how they view the world that have significant operational implications. Consider the promotion of human rights. Europe and the United States have a unique consensus that such rights are intrinsic and yet the relations between human rights and citizens' rights are played differently in Europe and the US. This explains why the Europeans could object so strenuously to the legal fiction that surrounded the US facility for handling enemy combatants in Guantanamo Bay; their possession of human rights derives from the fact that they are human and not from their relationship to the US Constitution *per se*.

The Obama Administration's decision to close Guantanamo Bay has done much to eliminate this contradiction in perceptions and in the way of handling compliance with international law. Nevertheless, subtle and yet operationally important differences in values continue to cause problems for trans-Atlantic relations. The debate about privacy protection and passenger name records (PNR) is one example; the controversy over US government access to SWIFT financial transaction data is another. These things touch deeply on how the two sides of the Atlantic perceive the relations between security and fundamental rights in the response to the threat of terrorism. Meanwhile European attitudes toward the death penalty are a much less subtle distinction because it has been decades since capital punishment was used in EU countries. Here differences within the US, not only between EU and US, are worth noting. Nevertheless, as extradition procedures have improved across the Atlantic, the difference in trial outcomes has become more prominent. Legal cooperation is easier and yet more controversial as a result.

What unites these distinctions is a fundamental disagreement on how best to fight global terrorism. The United States has adopted a war-fighting posture; the European Union has relied more exclusively on judicial prosecution powers. The point to note, however, is that this is a reflection of strategic calculation and not fundamental values *per se*. The United States

is no more enamored of war than its European counterparts. Nevertheless, US policymakers remain unconvinced that judicial prosecution powers will be effective in combating a global terrorist threat. There is an important role for Europeans to play in this debate by providing solid empirical evidence to address the operational concerns raised in the United States. If the EU could convince US policymakers that a judicial prosecution approach would be more effective, they could lay the foundation for a more effective operational partnership along the way.

The use of private security companies and armies is another tactical rather than value-based distinction. The United States uses military contractors because they are seen as more cost effective in many situations than relying on the military itself. Nevertheless, this may be an example of refusing to think laterally. Rather than relying on a military option, it may be more useful to adopt a full-spectrum approach. This is something that the United States has learned from the EU; it could be seen at work in Haiti. The question is how far these lessons can be applied in other contexts.

What is clear is that private armies or military contractors raise another host of human rights concerns – both related to how these contractors are held accountable for their actions and with reference to the treatment of the contractors themselves. Such concerns need to be mainstreamed in the foreign policy discourse. Doing so, however, will depend upon high level policy intervention. Some work is being done in the UN framework, but more attention should be devoted to this and high ranking officials in the United States and Europe could usefully come together to discuss how this can be done. In doing so, the hope is that they could push the debate forward and foster international accountability and human rights protection when resorting to private security companies.

On this point, however, it is worth noting an important case beyond the EU-US framework. India is a democracy as well, actually the largest – and it remains such despite the constant and oppressive threat of violent terrorism. India should be given more credit for this resilience. By the same token, any attempt at mainstreaming human rights in external relations should be sure to bring the Indian (and other developing democratic country perspectives) on board.



Ron ASMUS, Mario TELÓ, Vicente PALACIO, Tod LINDBERG and Luc VAN LANGENHOVE

## Paradigm Shift

This overview of specific challenges provides some elements for a trans-Atlantic agenda. Such an agenda would include action to promote more effective financial market regulation and welfare state reform, it would build on the modest achievements made at Copenhagen to create a model for sustainable development, it would address conflicts in the countries bordering on Europe and provide new partnership in the Middle East, and it would create an open dialog about how best to build concern for human rights into external relations so that the values shared in the 'North Atlantic community' can be better implemented by the EU and the US and appreciated in other parts of the world. In order to translate this agenda into concrete action, however, both Europe and the United States need to change how they look at their relationship.

Historically the countries of the North Atlantic region have interacted primarily through the security alliance that they share. Economic relations between the two sides of the Atlantic are extremely important and yet NATO still receives the lion's share of the attention. This was perhaps justified at the height of the Cold War. Nevertheless it is curious legacy to hold more than two decades since that conflict has finished. Even today there are many more analysts close to the US policy community who focus narrowly on NATO than those who address their attention to the wider Europe and the EU. This is problematic both because the EU-US relationship is growing in importance and because the EU is so complicated when viewed from the United States.

Hence the first challenge is to change the paradigm for trans-Atlantic relations to give more priority to the EU without necessarily giving less attention to NATO. The logic here is straightforward. The United States must learn to work cohesively with the European Union but it cannot afford to lose ground in places like Afghanistan by doing so. In operational terms this means, for instance, that the US Mission to the EU should consult ever more closely with the US mission to NATO. That much is already under way and it is strengthened by the close personal relationship between the two ambassadors concerned. Moving up the State Department, the situation becomes more complicated. The Assistant Secretary of State for European Affairs and his Deputy Assistant Secretaries must work hard to balance competing and overlapping concerns.

The situation within the EU is complicated by the newness of its Lisbon institutional arrangements. The High Representative must learn to balance between the Council and the Commission, for example; the new external action service must balance between the common institutions and the member states. Finally, there is the concern that the institutional arrangements for European security and defense cooperation are not transparent enough to the United States. If the US must learn to balance its attention between the EU and NATO, the EU must work to show that greater focus on either organization need not come at the other's expense.

This paradigm shift will be difficult to implement as the focus for attention moves away from executive agencies and toward the legislative branches. Legislative institutions are prone to give priority to domestic considerations (especially when lobbies are very strong – including in electoral campaigns) and often too slow to appreciate the implications of their decisions for international affairs. The challenge of moving cap-and-trade legislation through the US



Pilar RUIZ CARNICERO, Tomas ABADIA, Pierre DEFRAIGNE and Maria João RODRIGUES

Senate is one example, the prospect of Senate approval on any arms control agreement between the United States and Russia is another. As the European Parliament gains influence over justice and home affairs through the Lisbon Treaty, similar examples are likely to multiply there as well – even if the supranational nature of EU institutions makes them a bit less prone to capture by any single domestic concern. At the same time, the role of the legislative branch in providing oversight and holding executives accountable is critical to a democracy, has been part of the US institutional developments and has been increasingly stressed in the EU context. Hence the risks as well as the opportunities coming from a stronger role of the legislative level is an important element of any paradigm shift in EU-US relations.

Last but not least both the European Union and the United States need to take a fresh look at multilateralism, both in terms of the role of international law and in terms of the function of specific institutions ranging from the United Nations to the G-20 (and beyond). Drawing upon recent experience and theoretical insight, they should focus on what works within a multilateral framework and how, they should avoid the temptation to resort to unilateralism (more an issue for the USA than the EU), and they should refrain from engaging with multilateral institutions in an ‘à la carte’ or piecemeal fashion.

## Research and Dialog

The bottom line is that the successful development of the EU-US partnership will depend upon further dialog informed by policy-relevant research. Moreover, the time to foster that dialog is now. There is a clear window of opportunity for trans-Atlantic relations to make significant improvements. If the US and the EU can learn to work together, they have a real chance to provide leadership both directly and by example. This leadership is vital if they are to succeed in shaping the global policy agenda. In turn, promotion of that agenda will pivot on how effectively they can bring other countries on board. A more cohesive EU-US relationship is also a more attractive one, and it is likely to prove more effective as a result.

The point to note, however, is that the window of opportunity may be closing. And as the forces of interdependence bring countries more closely together, the prospects for constructing effective leadership may diminish as a result. This would be a mistake. The specter of an unstable multi-polarity cannot be discounted altogether and the costs of failing to respond to the range of global challenges are potentially immense. Therefore it is important that the European Commission continue to invest in these dialogs and in the research that sustains their policy content. At the same time, it takes two to tango, thus the effort needs to be sustained also from the US side.



Constanze STELZENMÜLLER and Marek GRELA

**Note:**

This document is also made available on line at the Conference website:

[http://ec.europa.eu/research/social-sciences/events-89\\_en.html](http://ec.europa.eu/research/social-sciences/events-89_en.html)



## Annex 1

### Partial Transcript

#### **OPENING SPEECH (WILLIAM E. KENNARD – US AMBASSADOR TO THE EU)**

*Anneli Pauli* opened the conference by highlighting the close relationship between the United States and Europe in the development of research, particularly as this relates to major global problems: climate change, financial stability, etc. She was careful to note the importance of including the social dimension in our understanding of these problems – technology by itself is not enough. Hence the European Union has emphasized the role of the social sciences – making the Framework programs the largest source of social science research funding in the world. This conference is an example of that research and the results that it can bring. The timing is important as well. With the introduction of the Lisbon Treaty and the appointment of a new commission, there is significant change in Europe. The Obama administration offers challenge on the other side of the Atlantic as well. This conference should help to foster closer trans-Atlantic cooperation in this time of change.

*Gerhard Sabathil* welcomed everyone to the conference, thanking his colleagues at DG Research for their initiative and hard work. The Spanish Presidency and the US Mission to the EU also played important roles. The guiding focus is the integration of research and policy-making in the context of trans-Atlantic dialog. The strong engagement of the United States in Europe has been evident. European pre-occupation with Lisbon has detracted from the relationship, but it is now ready to engage more robustly (punching its weight in the world). He noted the role that Cathy Ashton will assume as chair of the Council of Foreign Affairs Ministers. Citing Dan Hamilton, he notes that the EU-US partnership is both indispensable and insufficient. Indispensable because the partners must work together. Insufficient because they cannot succeed without help. The challenges are many – to respond to the financial crisis; to address climate change; to foster peace and development; to fight terrorism and other transnational threats without diminishing the benefits of the world economy. This must be done in the context of a more effective world governance. And it must be done knowing that there are many issues that cannot be addressed: Haiti, Iran, Afghanistan, Pakistan. There is a wider range of issues. This suggests that there will be much work to be done even after the conference is finished. He closed by setting a clear expectation: to link policy research to policy making in both directions – feeding a better understanding of the real world constraints into the deliberation of new ideas.

The text of the speech on Ambassador Kennard can be found on the website of the US Mission: [http://useu.usmission.gov/About\\_The\\_Ambassador/Kennard/Partnership\\_Speech\\_Jan2510.asp](http://useu.usmission.gov/About_The_Ambassador/Kennard/Partnership_Speech_Jan2510.asp)

The texts of the speeches of Anneli Pauli, Gerhard Sabathil and others can be found on the Conference website: [http://ec.europa.eu/research/social-sciences/events-89\\_en.html](http://ec.europa.eu/research/social-sciences/events-89_en.html)

## DISCUSSION

**Anneli Pauli** congratulated the Ambassador on his speech and stressed that it is time not to become too theoretical.

**Peter Dunn:** I would like to ask, coming from China, how the Obama Administration regards the G-2.

**William Kennard:** We do not view the world that way. I was recently in DC at a high level conference of ambassadors and was struck by something Jim Jones said – there has been much talk about power shifting to the East but the US still views the world and engages the world through the portal of Europe. That will not change. United, Europe and the United States can combat to a large extent the ‘threat’ from China. On standards, for example, the trans-Atlantic relationship represents 60 percent of world GDP and so when the US and EU lock arms on standards, the rest of the world has to follow. The same can be said on climate change – which is fundamentally standards based. By any measure, the US-EU economic relationship dwarfs emerging markets. What the emerging economies have is growth. If we could improve the prospects for growth in the US and Europe, then we could take a lot of the wind out of the conversation. We need to focus on innovation and structural reform to deliver growth and jobs. As policymakers we have to support that.

**Michael Emerson:** On climate change, with the change in the Senate’s composition, what is your view of future American policy and, on the institutional side, the disarray at Copenhagen was striking and it would help to know what you think should be the institutional format for climate change negotiation.

**William Kennard:** The president is more emboldened than ever to move ahead with legislation on climate change. It will be harder but we have made some progress and we will continue to push. It remains a top priority both from the campaign and for the future. It does not make much sense for him to deconstruct what happened at Copenhagen and we need to look ahead. Van Rompuy described it as a good start and it is. We now have a framework and we would be foolish to spend our time bemoaning the failure – we need to move ahead. Copenhagen wouldn’t have happened without European leadership. We were all disappointed with the outcome but we have to keep moving to the next stage.

**Marcin Zaborowski:** About EU-NATO relations – the planning headquarters for EU operations was traditionally opposed by US administrations but this administration seems more open. Is that so?

**William Kennard:** I am not sure where we are on this particular issue. In my conversations with Daalder, we agree that there needs to be better coordination between the two US missions but also between the EU and NATO. I cannot say more than that.

**Bassma Kodmani:** On the Israel Palestine conflict – given that the US and Europe have similar views on the conflict, they acknowledge its centrality and recognize the terms that must come about, does this administration expect a contribution on the political process on solving this conflict. We have had an economic contribution and we are now in a situation where the peace process is stalled and the administration is facing much less than it hoped for, do you see that Europe can contribute something specific on political aspects. The form of coordination should be goal-oriented – what is the goal that we should work toward and how.



**William Kennard:** I don't think it makes sense to bifurcate the financial and the political because they are inter-related. Senator Mitchell was here the week before last and I participated in those conversations. It was interesting to hear him talk about how closely related the financial and political contributions are. If we cannot ensure that the Palestinian authority has the financial support to govern, then even a successful peace process cannot last. The EU is vital because it is the largest donor to the Palestinian authority. This is one of the most vexing issues that we have dealt with and we now have a president who is able to look at the linkages between the problems in Palestine and the wider Middle East. We have been frustrated by the lack of engagement by the parties. We have urged the European leadership to coax the Palestinians back to the table as we will urge the Israelis. This is an effort that will ebb and flow. Right now we are not making a lot of progress. We have made consistent efforts and applied consistent pressure. We are frustrated and yet will not ease.

**Jolyon Howarth:** About the domestic situation on nuclear proliferation or arms control. You are close to conclude a far-reaching deal with Russia and you need 67 votes to get a treaty in the Senate. What are the prospects for reaching bi-partisan support for this sort of a deal and what can the EU do to help.

**William Kennard:** This touches on the domestic political constraints on getting treaties through the Senate. Colin Powell used to say things are never so bad or so good as we think. First years are very hard for presidents. The Clinton Administration is a good example. He lost early on and then came back. Same thing with Ronald Reagan. So it is a bit overly dramatic to draw the conclusion from one state to the whole politics of the nation. The situation is not that materially different. Obama is still popular and his issues are still vital. Whether it is START or climate change, we will have to stay tuned. Knowing Obama, he will come back stronger and he will figure out a way to advance these issues.

## Session 1: The Way Forward: Re-Building a EU-US Strategic Partnership

*Jean-Michel Baer* opened the session by thanking the keynote speaker and other participants.

**Alvaro De Vasconcelos:** This session's title is rebuilding an EU-US strategic partnership. One of the panelists argued that there is nothing to rebuild. I am not so sure most will accept this assertion, looking at the panelists and what they have written – Dan Hamilton's 'Shoulder-to-Shoulder' and our own 'Obama Moment'. There is need for continuity among the different exercises. There is an opportunity to build something and that is what we will discuss. Let me raise some questions:

- ★ Do we need a new paradigm for EU-US relations? The traditional paradigm has NATO at the heart; is that still the case? This could be due to the change in the international context. The new paradigm will go beyond NATO, even in the field of security. In particular, are we looking to the change in the international system where EU-US relations are natural if not indispensable. Is this new paradigm the need to take into consideration the others? We have seen at Copenhagen the extent to which we need to bring in a larger coalition for our actions. How can we bring the others into what we want to do in the world?

★ Is there a window of opportunity and what is the nature of that window? We say in this book that we have the president that we asked for – a president who believes in foreign engagement and long-term strategy – but what are we going to do with him? Are we taking advantage of this president to build this strong relationship and, if so, what have we done in concrete terms? Are there specific areas where we should concentrate our attention – like Guantanamo, nuclear proliferation, disarmament? What should the Americans do more? Should they explain better their policies, should they bring the Europeans into decision-making?

I would like our keynote speaker to look on these issues using a pragmatic approach in relation to what we should do.

**Karel Kovanda:** Is it fair that the chairman tells you what to do just before you speak? Let me thank the European Commission organizers and others. I have just met with my director general about Lady Ashton's first visit to the US. The key thing is that the talks went well, Lady Ashton was very good, and the chemistry with Clinton was good as well. That is the most important thing to expect. This was her first trip outside the EU and it was her first experience talking both on behalf of the Commission and on behalf of the Council. This is the latest retooling of the EU, particularly in the foreign policy area. She has the full toolbox of the EU as one person with a telephone number. But we don't call it foreign policy but external relations.

When it comes to EU-US issues, this is an important moment. Nevertheless, we still are not there. The details are not clear to anyone. But the fact of the matter is that everyone is pulling together to build an external action service for parliamentary approval by mid-April. Until we get there, we are still improvising. We have some tricky issues that we are dealing with domestically.

Does it stand to reason that the EU-US relationship is the bedrock of EU foreign policy? It goes without saying. We don't need to rebuild it but we do need to build it further, refining and expanding it. There is no need for a radical rebuilding. Across the Atlantic we have about 800 million people living in a zone of prosperity and democracy. But we never should forget the fact that one of the fundamental pillars is the values that we share. We share the values but we are not always sure how they manifest. There is no question but that we share these values. The other pillar of the relationship is economic. It is amazing how deep that relationship is. Globalization is progressing faster and reaching deeper between Europe and the America than between any two other continents. Perhaps we should call it trans-Atlanticization. We do now import more from China than from the US and the US imports more from China than from Europe. But the real story is in terms of investment.

Together Europe and the US account for 12 percent of the world's population but they create more than 50 percent of the world's GDP. The trade across the Atlantic is more than EUR 2 billion per day, and investment is more than EUR 2.1 trillion. This investment employs about 15 million workers. We have about EUR 19 trillion in annual output. These numbers are so large as to be difficult to fathom.

The intensity of the economic relationship translates technical questions into political questions. Tariffs are not an issue. They are so low that they mean an FTA would not be worth the trouble to create. Nevertheless NTBTs are important. Consider the aviation agreement

compared to Doha. The second aviation agreement would be as bit as completing Doha. So there are similar opportunities to get over NTBTs that would generate advantages worth over EUR 150 billion per year.

We are not starting from the beginning. This relationship has been improving since Bush came over in 2005. Obama has moved even further. In his first week, he eliminated two big problems – closing Guantanamo and banning torture. This is an example of bringing the interpretation of the values that we share closer together.

The OCVBA (Obama Clinton Van Rompuy Barroso Ashton) constellation offers the prospects for an optimum political outcome. There is much that we can achieve together across a range of issues. Non-proliferation and disarmament, climate change and energy, development policy, justice and home affairs. So we have a tendency to take the relationship for granted. Whether we need a new paradigm – I'm not sure but others will discuss in detail. Whether we have a window of opportunity – I think we do and the question is how long it will last.

We should engage the Obama administration and focus on an agenda that will deal with European interests and overlapping issues.

**Marek Grela:** Let me start with the title of today's session. At times we tend to underline something by using the term strategy. Strategy today means something different from what it used to mean. A strategic partnership suggests certain defined objectives. However today we are more reactive than proactive and we face an increasingly unpredictable environment. What paradigm does this suggest? We should focus on adaptation to the new environment. This includes 'others' as well as us and our own good ideas. We should also pay attention to the changing interests on both sides of the Atlantic.

The EU-US relationship is not autonomous. It is influenced by bilateral and inter-institutional relations as well. We cannot abstract away from that.

What is the window of opportunity? We should focus on our joint awareness of problems such as the relative decline of the economic and political weight of the US and Europe worldwide. I understand that the EU is a success story. It was something extraordinary for a new member state to join. But at the same time we should be aware of problems. We should reflect on our weak points. So far as the EU-US relationship is concerned, we should be aware of our strong points.

What are the strong points? It is more than the economy. It is also about innovation and technology. Much more attention should be given to this element. This is where we should focus our attention, particularly in a world where China and Japan are making headway. We should also work more with the US to make our positions more coherent within other fora like the G-20. Strategy is also about what we should not do. We should avoid contradictory policies.

Two final comments. I have no doubt that the EU and US should work together to influence Russia. But Russia must reform from the inside and we cannot impose these changes. We can help Russia to identify its needs for modernization and it is in our collective interest to see Russia join the West rather than drift. The last comment is about institutional changes.

No doubt these are important. But one should not overestimate the role of institutional reform. Effective policy is very much about the will to act – particularly in the aftermath of the crisis. This has changed the interests of countries. There is more differentiation now than before.

**Dan Hamilton:** I am not just speaking on my own part – but also from a number of other voices. We had a number of conferences and there was considerable effort including the last troika. The ideas here are not just one person thinking. Going back to the first point that Bill Kennard made we need to keep track of what is distinctive about this relationship. Unless we know what is unique about it, it is hard to move much further. Over the past six decades we have built something that is quite unique. It resembles the *acquis communautaire* as a set of rules, norms, and conventions without parallel in other parts of the world. It is the most complete relationship that either of us has. It goes deep into our society and beyond foreign policy. In the WWW that is now emerging, this is the thickest weave in the web. We need to appreciate this inter-societal dynamic. We have transcended foreign policy. Most of the issues that we face today break that traditional distinction. That is why they are so complicated.

The other point is to mention that if we do agree on any particular issue that has global impact, we are still the core. If we disagree, we usually stop anything from getting done. This is neither positive nor negative. It is just the reality of how things get done. That's why my comment about the relationship being indispensable but insufficient.

The challenge is how to reach out to others. The stronger our relationship, the more rising powers will want to join. The weaker our relationship, the more likely that rising powers will ignore it or challenge it. This is not yet a strategic relationship – how can we make it more strategic with real operational results? This is a moment that we can use or lose; the domestic politics will move. This is not just interesting, it is urgent.

We list ten initiatives that one can achieve. Let me just highlight a couple that do not get as much attention as they should. The most significant difference with Lisbon is not foreign policy but rather in justice and home affairs where the European Parliament gets budgetary authority and co-decision authority. This is an area of extreme importance to the United States. And in this one area, the European Parliament approximates the US Congress. If you look at the issues that the US is facing in terms of terrorism and security, the key partner for the US has to be the EU. Here we have not just an opportunity but a necessity to get this right. Airline security, cyber security, etc., are all here. We have to get this right. It goes beyond data protection and information sharing. We must initiate a trans-Atlantic resilience strategy. This is a new dimension of security. It is protecting the networks that support free societies. Our way of life depends upon them and they are very vulnerable.

The only obligation that we have across the Atlantic is through NATO – to defend against armed attack. But shouldn't we be able to say that we come to each other's assistance in the event of national disaster or other problem. A trans-Atlantic solidarity statement would go a long way here. This would include data transfer and privacy protection, trade in goods, etc. We have an agenda here that is clearly in our self-interest. This tends to get lost.

Another new area is energy. We will discuss this beyond climate change. We should also look at globalization within a global context. The connections across the Atlantic basin is deeper than ever. There is still more trade there than across the Pacific. We need to address together

how globalization is affecting commerce within the Atlantic space. This would not have to be exclusive. But it would open up new ways of working with other powers.

*Jolyon Howarth:* In many ways, I am a transatlantic person. It is the most important relationship in the world but there are some problems that we have to face. We are in a period of transition from the Cold War to something else. There is no agreement on what that something else is. There is a big debate in the US about the structure of the world system. In Europe, there is no debate. Not since 2003 have we had a conversation about multi-polarity. Throughout history multi-polarity has been unstable and yet it is viewed uncritically in Europe. The fact is that no-one knows where the international system is headed.

The time is to rethink the nature of the trans-Atlantic relationship. I echo the Whitney-Shapiro indictment of the European attitude. I believe that the EU should develop a grand strategy where Europeans collectively focus on the relationship between means and ends. The means of Europe are limited in global terms and the EU does not think enough about large ends. I don't think that the ESS tells us what Europe is about even with the 2008 update. There are mechanisms to improve coherence but there needs to be a changed mindset. The Europeans need to recognize that the US is interested in an EU that is a single actor with clear assets to bring to the table.

The EU must abandon the old habit of thinking through challenges as they impact on the trans-Atlantic relationship and must give priority to European interests. This will make it easier for Europeans to figure out how the trans-Atlantic relationship fits in. The relationship should be the instrument and not the object. That is true for NATO as well. On issues such as Afghanistan, etc., it is only when the Europeans define their interests that they can begin to work coherently with the US. It is only when the EU has a common position that it can defend and assert that it becomes an effective actor on the world stage.

There is no reason to create a strategy for its own sake. The long-term goal has to be to adapt to the relative decline of US power. As we know from IR theory, power transitions have historically led to war. There are four good reasons why that need not happen this time: institutions; international law; the relative usefulness of military instruments; and structured interdependence. One cannot take for granted the avoidance of future conflicts but we can do something about it.

Two approaches reveal themselves. One is the universal values approach where we make the world order so attractive that rising powers cannot but embrace it. The other is to focus on hard bargains. I think that the EU and the US need to focus more attention on hard bargains than on universal values. The US and EU cannot count on other actors finding their values so attractive. They should focus on a global grand bargain instead. The global grand bargain will involve a necessary series of trade-offs, some bilateral, some multilateral, between the rising and the declining powers. These trade-offs will be required in all major policy areas – governance, security, finance, trade, agriculture, energy, climate, development, proliferation, cultural exchanges and intellectual property. This will not involve selling off the family silver or succumbing to foreclosure on the estate. It will involve bartering some elements of that silver in order to create an even larger and more all-embracing domain. It will, in effect, lead to the creation of a new international system.

**Parag Khanna:** There are those who point out that the EU has only just been created as a strategic entity and others who believe that the EU is less influential. It is the first time in either case, that the US and EU are fumbling toward some kind of strategic partnership. Moreover, this partnership has the greatest potential for longevity of the many different alliances or partnerships that are out there. If you look outside the trans-Atlantic relationship, it is clear that other actors and relations are more fluid. Even as the post-World War II institutions appear weak, that does not mean that the trans-Atlantic relationship cannot be the pillar of what comes next.

In terms of re-calibrating the relationship, we need to think less in terms of NATO than in terms of the US-EU relationship. For example, NATO may hinge on Afghanistan but the US-EU relationship does not. Certain principles are essential – equality and division of labor among them. At the moment there is a greater desire for strategic self-sufficiency among Europeans than there was before. What that leads to is a situation where neither party has a veto but both parties rely on the others for support. This is important for Americans to hear because it is a unique transition.

Who we are matters less to outsiders than what we do. Cite Batman. There are many proposals and we should not prioritize excessively. We have the capacity to pursue a broad agenda simultaneously. We need to be looking out counter-terrorism, proliferation, climate, fragile states, etc. All of those issues we talk about today will be here years from now. Therefore, the issue is coordination. Better coordination and better communication will lead to more effective policy. There is so much to be done that it is disturbing to see the gaps that are left to be filled and how much work there is to go into them.

There are a number of different examples – ranging from functional concerns to regional matters. Where is the EU support there? Russia should be integrated much more and China warrants a common strategy. We should shift from spheres of influence to spheres of responsibility.

Looking at the Middle East, the Obama administration is focusing more on nuts and bolts changes where the EU is the essential partner. The concern is that there is little common dialog. We could make a similar point about fragile states. What have all the special representatives done? One critique is that there is a military surge but not a civilian surge.

This list suggests there is a lot to do and so once we start doing things we will feel less defensive about the need to come up with generic defenses for the alliance.

**Constanze Stelzenmüller:** I would subscribe to much of this in the medium- and long-term. Unfortunately, the policy world is short term and that short-term perspective is more glum. If we compare the situation today one year after Obama took over, we have much less hope. This is not necessarily bad for rebuilding the relationship. The problem is not that we don't have a relationship. The problem is that we are not a strategic partner – on issues, on relationships, on global governance. In an increasingly multi-polar world, this is not just Europe's problem but also America's.

If you look at the situation now, domestic issues are taking priority and strategy is starved of resources. We are facing overload at the moment. There are strains everywhere both in national governments and at the UN. On the EU side, this interplanetary constellation is complicated by the changes wrought by Lisbon. The result is a strategic imbalance. On the US side, we have a president who must get tough on certain issues and yet who has thought through US

strategy very thoroughly. It is full spectrum. We may disagree with it. But it is very broad, nuanced, and different. The diplomacy of the outstretched hand suggests it is flexible as well.

On the European side there is no strategic approach. We react and we act where we think we have to do so. We are either doing crisis management or preserving with great strain a common platform on Iran. If you read the inaugural carefully, you will see the president saying to us that while we share the same values that is not enough. Europe's power has diminished as well as the US. Therefore the US needs Europe as a force multiplier and the danger is that the relationship will weaken if Europe does not bring the resources to the table to achieve strategic relevance.

At the same time, there is a significant challenge with public opinion and also with national legislatures. We can really help each other here. The issues are conflicts as in south Asia or the Middle East but also in terms of relationships as with Russia (energy) and China (trade/investment). Finally there are the global challenges like disarmament, terrorism, climate change. The record is fairly dismal.

What is really needed in this world is focusing on intangibles like imagination, innovation, leadership, and strategic patience. We have not seized the opportunity. We need to seize it.

## DISCUSSION

**Alvaro de Vasconcelos:** The focus so far has been on strategy, but we need a new paradigm that goes beyond NATO and beyond security. So what I would like to see in this first session is a better sense of getting it right. We should remain on this larger context.

**Fran Burwell:** Can I contrast Howarth and Stelzenmüller. Should the EU look at the world through its own interests first (as Howarth suggests) or should it put the trans-Atlantic relationship first (as Stelzenmüller suggests). I have sat through a number of conferences where US and EU priorities do not match. Should the EU think first about its own interests? What if EU and US interests are different? Consider the case of Russia.

**Jordi Vaquer:** Maybe the usefulness of the EU is to challenge the US where the priorities are different. If we think about Iraq, for example, it might have helped to hold the USA back rather than second their aggressive policy. It is a danger that, when we talk about European security, we end up talking mainly about Afghanistan, for example, just because this is the USA number 1 priority of the moment. The danger of bringing assets to the table without challenging the goals of military intervention is that you do not assert your own interests and may end up putting your own interest in jeopardy.

**Giovanni Grevi:** I join the two previous speakers. Should the EU act as a force multiplier for strategic opportunities set elsewhere? Unfortunately, the situation does not arise until the EU is able clearly to establish what its own interests are. US and EU interests may not always coincide and so the question is whether it is better to have a strategic partner where the issue overlap is not complete. I would also support Hamilton's point about strategic resilience. That is a very important component of what a strong US-EU partnership can provide not only for each other and for third countries, but also for the wider issues of global governance. A final

question is on norms. Howarth contrasts norms-based system with global balance. But how far do we make supporting our model of political order an element of our international profile? It is important to find the right balance between this dimension and others.

**Michael Emerson:** I just want to pick up on the point that Grevi made about the contrast between values and bargaining. Maybe we didn't hear enough from Howarth to understand the subtleties of his thinking. Our main interests around here lie in working toward a rule-based world order. What we want to avoid is a multi-polar *realpolitik* system that would be unstable. By promoting values we not only pursue strategic interests and promote the EU as a significant actor.

**Maria-Jose Fialho:** I notice that these exchanges focus on the executive perspective. Nevertheless, the identification of strategic interests will have to involve the legislative branches. As second point Hamilton's point about reducing the emphasis on structures. From the Parliamentary perspective, we have to have adequate structures.

**Alvaro de Vasconcelos:** Could you add something on the lessons of Copenhagen in your responses?

**Stelzenmüller:** On Burwell's question, I think this is resolvable. We cannot have a negotiation if we don't know what we want. Priorities do diverge but we have to deal with that. My point is a different one. So far we haven't gone to the trouble of identifying European positions on issues that we should have positions.

On the normative character of the EU, I think this is something that we could and should export. I don't think Obama doesn't export democracy – I think he is just more discrete.

**Parag Khanna:** Unless the EU has convictions about what its priorities are, it cannot contribute to the relationship. Rather than that being a contradiction, it will make the relationship stronger.

**Jolyon Howarth:** On Burwell's question, I don't see a contradiction. The problem is that it has not yet addressed its collective strategic interests. The more important point is the contrast raised by Giovanni and Michael. We will defend what we believe in up to the point where others leave the table. We don't want them to go start their own system and so we will have to strike a hard bargain. We have seen this over the past months in the debate about IMF reform. We must be prepared, occasionally, to make certain concessions.

**Dan Hamilton:** I heard a couple of points where Europeans were trying to define the EU as a counterweight to the US. The reality is that the Europeans did not have a single view on Iraq and the Europeans do not have a view on Russia. This is intensely frustrating for the US. In terms of the normative debate in Europe, there is too much of a tendency to define that in opposition to the US. Actually, this is something we have in common. Where the norms come into play is in the context of the rising powers. What do we do when countries that have made reforms start falling back? What should we be doing about Wider Europe? A last point, we should talk about the structure of the relationship. We propose abolishing the senior group and establish a sherpa system that can run the situation better. We should also involve the legislators more.

**Marek Grela:** Let's start with interests. We are not a state and we have 27 members, some of whom think very locally. Maybe six or seven think in global terms. It is not simply a large-small distinction. Therefore it is difficult to identify common issues. Moreover, politics is sometimes



an investment and not just a short-term perspective. Many countries are in Afghanistan not for its own sake but also to improve relations with the US.

**Karel Kovanda:** I am walking way with a decision tree with a half dozen questions. Can we define our interests? How robustly can we embed those interests in our policies? How well would those policies coincide with the US? If they don't coincide would Europe go alone? If Europe goes alone, to what effect? This is my decision tree.



Karel KOVANDA and Parag KHANNA

## Session 2: EU-US Policy Complementarity in the European Neighbourhood

**Marcin Zaborowski:** There are some questions for the panel. The first is about the prioritization and importance of this issue for the EU. We have talked about our Obama book – it is true that the EU and the US have similar policy priorities. Yet while we have similar priorities, we look at them differently and grade them differently. The prioritization for the US puts the neighbourhood considerably lower than for the EU. From this it follows that the EU should lead in the neighbourhood. But overall it is difficult to talk about the EU being an obvious leader in its own neighbourhood: consider Russia, Egypt, or the Middle East. Why is the EU not the leader?

The second question is about approach. We have talked about a comprehensive approach. Nevertheless, it is clear that the European approach is contested. Is it wise to apply a comprehensive approach to the very different states in the neighbourhood?

The third question is about policy coordination. There has been some coordination between the EU and the US but it seems very ad hoc and unstructured. Consider relations with Belarus for example. Should we have some kind of a structure where the EU and US come together to discuss the neighbourhood? I think we do need some kind of EU-US political council.

**Gunnar Wiegand:** The focus of my remarks are on the East. I would like to start by asking whether someone is a leader just because they do not lead the US. The question is more how much impact you have. If you can measure that and compare the impact with other actors, then you will have a better sense of what the EU can achieve. On this measure, the EU has more impact and more leverage than the US in a number of cases.

We should work with the US if we are pulling in the same direction. By implication, the first requirement is to find out whether our interests are complementary or competitive both in terms of objectives and in terms of process. We should be guided first and foremost by the fact that we share basic values with the US. With the increasing relevance of emerging powers including Russia it is becoming more obvious. Having experienced US-EU relations under the Bush administration, I have seen this challenged and yet the potential exists now.

Where could we work better? The internal reform agenda is a clear case. We see evidence of backsliding in the countries to the East both in terms of economic structures and in terms of political institutions. Corruption and a weakening of state control are both evident. Moreover we have a common capacity to work together on these issues. Nevertheless, we have not achieved significant operational coordination.

A second area where we could work together is in terms of conflicts. I am not talking about the Middle East but rather Moldova, Azerbaijan, and Georgia. The EU is currently playing a marginal role in the Azerbaijani conflict. In the other two areas, though, we are more prominent. The Moldova situation is well institutionalized but the institutions are not effectively used. Georgia is more clearly an area where the EU is engaged.

The third area is energy security and energy efficiency. We have an active policy to secure sources and routes of energy imports into Europe. There is not yet a single EU energy policy but there is an active foreign policy developing around the issue. The efficiency side is also developing. We have a new energy council that has come into being...

To summarize I think that we can focus on three key areas – internal reform, conflict, and energy – but we need to be more structured in our cooperation and less ad hoc.

A second point considers perceptions. The EU is regarded as disjointed and the US is viewed as very large. Yet in the neighbourhood neither of these stereotypes is valid. The EU is huge in the neighbourhood; much larger than the United States. Russia is a good example. Both the EU and the US are neighbors with Russia but the EU is clearly more deeply involved in economic dimension. The US tends to view Russia from a narrower strategic perspective – emphasizing arms control and START. We have a sphere of influences problem with Russia that goes beyond strategic weapons. There is a confusion of concepts but also a real rivalry in terms of influence in the region. The US and the EU have different things to offer but the key is that the pull factor of the EU does not exist in the US context.

More political dialog is not the answer and a political council is not the instrument. What is needed is well-structured and not too heavily institutionalized cooperation. We have some convergence on Ukraine but less on Central Asia. We have had disagreements over Belarus although that is changing. As for Georgia, there has been different strategic advice as well.

**Fraser Cameron:** I agree with most of what Wiegand said and so will emphasize only the differences. There are a number of different interests between the EU and the US. The EU views the East as partners and potential members; it views the South not as potential members but as partners only. The US views the East inconsistently both within and between administrations. The missile defense issue and the Bucharest NATO summit are good examples. To the South, the US views the countries as sources of terrorism rather than (as the EU does) sources of migration.

Do we get top priority from the US? No. Joe Biden has only been a couple of times; Obama has been once and it didn't go well. We have a far thicker relationship with Russia than the United States – which tends to focus more narrowly on strategic issues including Afghanistan and Iran. Moreover, this is a long-term relationship that the EU has to develop regardless as to whom is in control.

In the East, there was a general confusion about US policy in the East particularly among the East Europeans. The fact is that the US doesn't give much priority to Europe. Europe is not a problem and so the only issue is what the EU can do to help the US.

One of the greatest achievements of the past 15 years is the transformation of Europe. The EU has done that; the US has not. Indeed, we talk about US leadership but in fact it is not clear that US leadership has effect.

As for ENP, no-one knows what it is. Certainly it would help if the US would discuss issues in Brussels first. As for policy coordination, we don't get much time with the President. Institutional changes are not the solution. Would the US let the EU in on talks about Mexico? The real question is whether the EU is able to deliver. Any change in the relationship will depend upon the EU's ability to influence.

**Elzbieta Stadtmüller:** I would like to focus on the general complementarity of policies. When I looked at the topic of the panel, I struggled to find some generalizations. I am not a big fan of generalizations because policy complementarities vary depending upon the subject matter and the region concerned. If we look at the 1990s, the complementarities are more visible. They began to disappear during the Bush years although some elements continued to operate in the NATO enlargement sphere. The shift to other regions from Europe is not connected to specific administrations but rather stems from a change in underlying US interests.

Another problem is that the neighbourhood is not a unitary actor and it is not subject to a unified strategy. If we looked at the Western Balkans, we find a region which will join the EU. Turkey is on a different track. Other East European countries either are or are not interested. Central Asia is a zone of very low EU involvement. The Maghreb and Mashrek regions are different as well.

I would like to focus on some factors that are important. First, proximity matters. The EU views the neighbourhood as essential in its own right; the US views it as part of a wider global strategy. Therefore the two parties will always give different priority to the region. Moreover, to the extent to which the EU strengthens its role in the neighbourhood, it will strengthen its role in the world as well. The US may welcome this but it may also view it as a source of competition.

Second, the US and the EU have different conceptions of how the world works. The EU tends to involve non-state actors and multilevel governance; the US is more clearly focused on state-to-state brokerage. As a result, the US and the EU not only approach the neighbourhood differently but they are also perceived differently. Russia is an extreme case because it is both a neighbor and it has its own neighbourhood.

In conclusion, complementarity exists. The United States tried to build its situation through hard power and yet must maintain it through a more developed, subtle, or comprehensive result. The US should learn to take a more comprehensive approach. A more likely scenario is that the US will adopt a much lower profile in the neighbourhood apart from a few key actors.

## DISCUSSION

**Dan Hamilton:** I was quite surprised by the characterization of the US I don't see the country that I know in those characterizations. The idea that the US is motivated by strategic influences or ethnic roots is simply a cartoon. We have straightforward interests: Europe whole and free. That is a strategic influence because we pay a price if that is not the case. The more that area – and particularly the space between the EU and Russia – can be more stabilized, is a good thing. Second, we want a Europe that can deal with its energy issues and cannot be dependent upon single sources. That is a critical interest for the US because of what it means for core Europe. Third, this area abuts the Middle East. That region is already bad and so creating some stability on its borders (and therefore in Europe) enhances US influence in the region. It is not interfering in your backyard. The criticism is not that we are overly engaged but that we are not engaged enough. My criticism of the Bush administration is that they reduced everything down to the question of NATO membership. But we need to return to some basic principles of what we can achieve together. We need to integrate these countries into the broader European mainstream successfully. We need to emphasize the internal reforms. If you think about what we did in the Baltic states or the Balkans – we have done lots of things to emphasize a broad spectrum of policies in these regions. We need to address festering conflicts so that they don't blow up. The energy council is another example. It is a hollow shell at the moment but could be filled up. So how do we make this operational.

**(European Parliament):** A question concerning Belarus – In that case, can you explain in more details what has changed in US policy toward Belarus because it seems that the Obama administration does not want to follow our policy of engagement and instead appears to hope for a color revolution.

**Marcin Zaborowski:** What is the perception of the Obama Administration in central and eastern Europe. It has been puzzling but I don't see why. The Administration has changed its Russia policy, it has neglected the region, it canceled the missile defense with very little notice, and there is a lack of consultation and coordination.

**Gunnar Wiegand:** When European Commission President Romano Prodi designed the neighbourhood policy the two basic principles were that it should create an arc of stability and it should offer everything but institutional membership. This has been expanded since then. But the fact that the US is less involved is partly due to the fact that the EU has become

bigger and many of the CEE countries are now inside. The EU has been rather successful with enlargement. Secondly, the ENP has more of a stabilizing influence particularly in the Balkans (although it is not really ENP there). The strategic interest of the US in the stabilization of Europe has been fulfilled and therefore we are less of interest to the US collectively which means that you will CEE countries will not attract so much attention and yet we are not so cohesive that we are a vibrant foreign policy actor. Our challenge is to compete for attention and to develop stronger capabilities.

Belarus is developing slowly, it is well-organized, and extremely important. We have both isolated the country. Now we are starting to engage. Policymakers in the US are slower to do so because they offer less and less stick while we offer more and more carrot. Nevertheless, we are developing in the same direction.

## FURTHER PRESENTATIONS

**Bassma Kodmani:** Two areas of cooperation and two specific issues. First, we are in a context of the most positive outlook for US European cooperation in the Middle East. There are many similar views for many of the major issues in this region. There is definitely and opportunity and this has been said earlier. There has been no discouraging of internal cooperation on the part of the United States. This should help to allow Europe to come together on this issue.

One area is the post-9/11 agenda of democracy promotion. This agenda emphasizes political change. This agenda is now obsolete for two reasons. It has hit a wall with the emergence of Islamist movements which make it difficult for any party to accept the outcomes. Social and economic needs have also taken over and human security and basic needs are now more important than political freedom. This can be picked up in two areas. First, social and economic needs have not been carried by social and political actors. We need to build that. The second point is the clear need for better management of diverse societies in the Middle East, including minority rights (which are deteriorating across the region). We have a real agenda for developing research in this area as part of the wider good governance agenda. We should also stress dialog and exchange on equal partnership basis. We can no longer dismiss complaints about discrimination in the West. The EU has a contribution to make in promoting equal citizenship as opposed to American identity politics.

My second area is conflicts and I will focus on one. The conflicts have not been part of the neighbourhood policy and have instead been left outside the scope. This was intended to avoid polluting other areas. We should use the instruments of the neighbourhood policy to enhance peace-building. The quartet provides a framework and yet the EU has been passive in this structure and it allowed (or waited for) the US to move. On the situation today, the US and the EU do have a common vision on this conflict. They believe there is more scope for an outside role. Yet one year after Obama's election there is no common strategy or division of labor. The temptation for the EU has been to decry Obama's failure. This is unjustified. The Europeans have not started to ask what they can do to help the Obama Administration succeed; spending political capital and taking risks.

The Europeans insist that they can only act on the lowest common denominator. Nevertheless, there is a demand on the US side for a real European mobilization. We should explain what is possible and what can be done at the European level either via the member states or the EU. It has been said that the Europeans have responsibility for Palestinian institutions but they shy away from the implications – which include statehood. We should ask whether Europe is ready for that.

The Europeans should also resist the temptation to believe only the US can provide a peace agreement. The US is necessary to offer security guarantees. Nevertheless, the Europeans have an important role in bringing the parties to the table. We are at an important moment as the administration is more frustrated and appears running out of ideas for pushing the process forward. The Europeans know that and so the question is whether they can come up with some practical measures. The responsibility is more with Europe.

**Marina Ottoway:** If there is a sign that not all is well in European-US cooperation, it is the fact that we have to talk about it. The very fact that we have to discuss the relationship means that it is very troubled. I want to focus on two points in the discussion. The first is obstacles to greater complementarity in the neighbourhood; the second is the utility of complementarity in the first place.

What are the general obstacles? I think there are two. One is that the US and EU work in very different ways. The US can change its policies quickly and there is very little continuity in what it does. The Bush administration launched a crusade to promote democracy and that was abandoned before the end of the second administration. The EU tends to plod along. This is good and bad. Nevertheless, it is difficult for policies to dovetail in that context.

The second obstacle is the notion of the neighbourhood itself. When you are dealing with your own backyard you will see it differently than when you are far removed. Consider the strategic emphasis of the US. The US does not have to worry about immigration from North Africa but it does have to worry about immigration from Haiti. We cannot expect concerns to be the same when the notion of neighbourhood is so different. We can make the same point re: Turkey. The US wants to see closer links between the EU and Turkey. Europeans have a wide range of other concerns. We have to accept that geography matters in this sense.

We need to look for complementarity on a case-by-case basis. Let me pick out a few issues where complementarity is likely and a few where it is not. Reform in the Middle East is one area. Concern is shared by Europe and the United States and yet it has been unsuccessful for both. The situation has got worse instead. There is a real need here for Europe and the United States to talk about how the political process in Arab countries can be opened up. There are other cases where complementarity is possible. Yemen is an example.

But should we always look for complementarity? There are times when divergence might be better.

**Jordi Vaquer:** I do not think ENP is a policy as such. It is just a bureaucratic framework for an area which does not exist as a geopolitical reality or an alliance. Indeed, if there were such an arch of countries surrounding Europe coming together as a group, that would be almost scary. Luckily there is no region called 'neighbourhood'. The question would be whether there is a region

called 'Mediterranean', or if it just is an artificial political discourse. Certainly, contrary to the usual rhetoric, throughout history the Mediterranean has been as much a place of coexistence as one of ethnic cleansing. We have seen large scale ethnic cleansing in Spain and the Ottoman empire, for example, which are often quoted as historical examples of peaceful coexistence between different cultures and religion.

What are the EU and America trying to do in this area? I think we have to be careful to avoid the temptation to just analyze policies taking political discourse at face value. The EU says we are building and shaping a region. The US Department of State acknowledges that it is doing four things: rebuild Iraq; work towards a two state solution in Israel and the Palestinian occupied territories; fight terrorism; support economic and political reform. But if we see where the resources are mostly going, the main EU focus is on managing migration, whereas The US is spending most resources in securing Israel and containing hostile states.

We could summarize shared interests in three areas: Containing conflicts; avoiding a unified front of Southern Med states hostile to Europe; fostering stability on the basis of friendly regimes, prosperity, and peaceful reform.

What could we do together? Five areas of action: remove excuses from protracted conflicts; promote rule of law approach to rebuild credit; dual track strategies targeting government and populations at the same time; sub-regional cooperation, separating western and eastern Med, but without a division of tasks (no Maghreb as a European problem and Middle East as an American one) and with a real co-ownership, (avoiding the imposition of agreements that are just an extension of EU or American concerns).

**Mary Curtin:** There are a lot of issues that have come up that render my notes obsolete. I want to start by echoing what Hamilton said about the characterization of US policy by many of the speakers. We have and have had a number of different policy makers who are involved in economic and financial matters in Afghanistan and in the Middle East. In other areas of the neighbourhood, we have had the DASS for southeastern Europe and the Balkans come through to talk about how we can encourage the parties to take the steps necessary to stabilize the region. We have an eastern partnership that we have been pushing and would be interested in cooperating with the EU to the extent that we can. There are of course many times when the US and EU differ over tactics. We have some differences over Belarus, for example. How do we encourage that regime to reform or how do we help the people who want to do that reform? I worked four years with three governments in Poland to deal with Belarus. I was also in Tunisia and we have been in close consultation with the EU about the broad issues that we face in the south in particular about how we settle the conflict. We want to set in motion negotiation that we will actively support to reach a two-state solution that will address the difficult solutions related to borders, refugees, etc. We recognize that geography matters and yet we are deeply committed to cooperation in justice and home affairs for while we are not involved explicitly in immigration, we do talk about migration issues. That is a tough one to set up (the dialog about these issues) but the fact is that we have a tremendously complex array of discussions with the EU.

It is always difficult because the EU is not a country. You now have a more greatly empowered foreign policy leader and yet you will still make decisions based on consensus and you will still have member states that come to the US to raise issues bilaterally. We try to get some countries to work with us through the EU but the institutions are complicated to operate. We have

enormous shared values and we do a lot together to arrive a concrete solutions. We can always improve the cooperation but I would disagree that the relationship is in trouble. It is still and probably always will be under development but the EU itself is under development.

## FINAL DISCUSSION

**Alvaro De Vasconcelos:** On this question of the neighbourhood, we see clear signs of convergence between the US and EU on the Israel-Palestine conflict. The question is whether this convergence is welcome and whether it is effective in delivering results. We could ask the same question about the general area of political-structural reform. Do we agree on the significance of democratization?

**(European Parliament):** Let me start by referring to Stadtmuller's remarks about relations between Eastern Europe and the EU. She seemed to imply that the US would withdraw from that area because of other priorities in that area. So the question is: Aren't you worried that US withdrawal may encourage Russians to re-establish their empire in the former Soviet states of CEE? A weak EU with no strong policy and lack of interest of the US – will it create such a possibility?

**Mary Curtin:** We had a few different questions. On Russia and the presumed lessening of interests by the US in the region. What this administration has tried to do with the reset is not embracing or underestimating Russia; rather it is to develop better relations with Russia while remaining wary and realistic about issues of concern and particularly how Russia views the former member states of the Soviet Union. We have tried to approach our relationship in a way that will achieve results without conceding the frequently expressed Russian view of its own sphere of influence.



Alvaro DE VASCONCELOS



**Marina Ottaway:** Yes there is convergence on democracy promotion. We have jointly missed the boat on democracy promotion. The failure to understand what these parties are about has cost us dearly. What we have seen across the region is a change in the identity of these parties to make them more conservative than they were years ago. The slowness with which we have reacted has not helped at all.

**Bassma Kodmani:** Relating to the peace process, if your question is whether we can deliver, the answer is that we have serious reasons for revisiting the whole process. The conclusion that the negotiation process has not been able to sustain momentum. When there is reversal, it has a very negative impact. It is better to do nothing than to try and fail. We are coming back to what has been a European vision of what should be a peace settlement – with the key provision being the timeline and a clear monitoring mechanism from outside.

### Session 3: Towards Sustainable Recovery

**Richard Higgott:** This session is about sustainability. My first point is that if we think that this can be decided by good trans-Atlantic relations alone, then we are missing a big part of the picture. Trans-Atlantic cooperation is necessary and yet insufficient. We live in a world where other relationships are perhaps even more important. Consider the trans-Pacific relationship. Here is a reality check from a researcher. This morning's discussions make no sense without an awareness of the other relationship. We have just seen the tilt toward Asia. This shift has been hastened by the financial crisis. And this century will be trans-Pacific as well as trans-Atlantic. This change will not be a smooth transition and the BRIC scenarios are a bit fanciful as well. Only China really has the ability to challenge the US. We cannot have a discussion of the trans-Atlantic partnership without thinking about these other parts of the world.

We have been focusing on the parallel with the 1930s. But that parallel is not close. The world has not hurtled into tit-for-tat protectionism. The trade response has been above trend but below 1930s levels. The credit for restraint should go to markets and globalization and not to international forums. G-20 pledges have been broken. WTO discipline is weak. But global market integration has imposed discipline in the form of higher costs and retaliatory action.

The US is in a tough situation. Obama faces considerable protectionist pressures. He has handled it well. Nevertheless, it is a defensive approach and the US has not taken its traditional leadership role in world trade. The EU is also in defensive mode. When the single market is under stress, the single market turns toward protectionism – as it has today. The G-20 is over-hyped; Doha lingers on; the major players are not leading in a multilateral context (or willing to); there has been an informal abandonment of informal trade positions; and while there is no movement...

In that context we should welcome our keynote and the rest of our panelists.

**Maria Joao Rodrigues:** The time has come to renew the partnership between the EU and the US. We have new actors on both sides of the Atlantic and the time has come to test a new method for strategic dialog. This should start not from differences but from common ground. If we identify our common challenges we will conclude that there is much to be done together.

and recognizing that differences exist and yet are less significant. Sustainable recovery is a good opportunity to test this method. We could control the crisis thanks to a coordinated intervention. Yet it is one thing to control a crisis and another to overcome or prevent one.

If we are to move forward we can make use of the G-20 as a multiplier. At the last G-20 they opted for a strong sustainable and balanced growth. This offers the possibility for strategic convergence not only between the US and Europe but also providing a list of common mechanisms to respond to the crisis. This strategic dialog should be tested in some themes.

Let me give you a short simulation of what could be a European viewpoint on what could be a sustainable recovery and I invite reaction from our American friends. This is not the official viewpoint of the European institutions.

My starting point for this kind of dialog is to say that our growth model is not sustainable. The growth model as we had it both in Europe and in the United States is not sustainable for three reasons. One is climate change, which reveals how we need to change our patterns of production, consumption and mobility. A second reason has to do with the un-sustainability of a financially driven model of capitalism that has focused our economic activity on short-sighted investments. The third reason is that demographic trends (and particularly European population aging) are creating a problem for our social welfare systems.

The implication is that we need a fundamental reappraisal of our growth model that includes a reconsideration of what we mean by prosperity and well-being – going beyond GDP to take into account other dimensions of welfare including environmental quality, social security, etc. I wonder how this debate unfolds in the US

What are the implications for the strategic priority in the future? After ten years of the Lisbon strategy we are preparing EU 2020 and so this is a critical moment to reconsider our priorities. I supposed we should have four of these. Moreover, these provide a lot of ground for cooperation across the Atlantic. First is a shift to low carbon economy. Second, use knowledge for growth and jobs. Third is renewal of welfare states both to increase job matching and to fight actively against inequality. Finally, we should reform the financial system and coordinate macroeconomic policies. If we think about transforming the macro-economy to overcome the crisis, we should also talk about corporate governance.

A final point is about governance. In the European context, we talk about the need for stronger coordination and stronger instruments. Nevertheless it is possible to have joint work with the US using 'multilevel actions': it is not enough to have good strategic priorities, we also need to have concrete action. We have learned in Europe that to be effective, we need to organize political action at many different levels and a joint venture with the US can promote a new strategic convergence and we can also use the G-20 as a multiplier.

**Peter Chase:** Just a couple of things that dovetail with Higgott and Joao Rodriguez. First, when I think in terms of strategic discussions between the US and EU is to sit down and think about what the world will look like in 20 years time. We can then ask whether we like the outcome and want to manage it or whether we don't like the outcome and want to change it.

First, our relative weight, importance, and influence will be less than it is today. This presents an issue for us that we need to look at. Think about common values. People often invoke these but don't dig into the details of what are our common values. We believe in rule of law and in entrepreneurship. We disagree on the appropriate role of the government.

Not all countries share our values. The decline in our relative position of output and influence is something that we need to contend with because it will play out in terms of the international rules of the road that we all play in. Analytically, I tend to think in terms of what the US and EU do together. I look at what we are doing on the international stage. Finally, I look at how the US and EU deal with third countries.

On the bilateral front, sustainable recovery is a near-term thing rather than a long-term thing. We need to remember that the US and EU are integrated. Because of this, one of the things that we need to focus on is where and how are we creating regulations that will marginally increase the cost of doing business. Any marginal increase in the trans-Atlantic relationship is worth more than what we are doing in Asia. A free trade agreement between the US and four Asian nations will have little impact on growth; agreement on financial regulation between the US and Europe will have a huge impact on growth. We are trying to link Europe and the US more closely but we are caught by the fact that the administration is not in control of the Congress.

On the international rules, these are by-and-large very good but again as Copenhagen and Doha have shown, it is not just the EU and US anymore. The question now is how we will get the changes we want to happen. The G-20 is all well and good, but we will need to have close informal coordination across the Atlantic.

The third thing is bilaterally. We need to have the major players out there share our values. We don't do enough to try to bring along third country policy frameworks in a way that is more conducive to what we believe. In Doha, the main issue is between India and China.

I don't think our growth models are so different as you would suggest. We have a lot of legislation in terms of the environment and social welfare; many other countries don't. India and China has done very little for example.

**Fran Burwell:** Thinking about looking forward, what world will exist a number of years from now? I know that I am the DC person on the panel, I am supposed to be the pro-G-2. But as was pointed out earlier about this movement of wealth and power, the key is that China is the main player. Brazil is 1/7 China, India is smaller, Russia is not even on the map. It is true that these countries are growing and by 2050 China will be about 20 percent of the world's economy.

There are many uncertainties about this world. What will Chinese consumers do? What will be the impact of population aging in China? Will the EU become a major investor and economic partner with China? The EU is already bigger in China than the US although China is bigger in the US than it is in Europe.

One things we do know is that China and many others who will have stronger roles do not share our values on market rules. This is a key moment. We are powerful together and if we agree we can set the rules. We cannot dictate, but we can take a leadership position.

The alternative is to focus on domestic responses while others tend to themselves. This seems to be what happened in Doha. Everyone had a stake in participating but no-one had sufficient stake in its success.

Working together to build economic growth in our domestic economies focusing on green economy and innovation is a starting point. We propose that the US and EU work toward a barrier-free trans-Atlantic market. We do not want to undercut multilateralism, but rather stimulate other agreements. Start with tariff-free relationship. This will have a small economic impact but perhaps a larger political impact. Within the US, it will be viewed as an agreement with a high-wage economy and so attract more favor. It will help intra-firm trade. Agriculture will be hard and some products will need long derogations. Moreover, it will not eliminate regulatory issues that are deeply problematic.

We should also look at other areas where we can build common, market-promoting regulatory structures. And we need to remove remaining barriers to investment. Most of these are in the US and affect airline and marine transport (for example). We should work together with Europe to develop essentially equivalent regulations on mutual-recognition. This may be easiest where the stakeholders are less entrenched.

We need to have coordinated discussion on state aid and exit strategy. We also need to have a strong international governance system. We need to think about how we can make the institutions more credible and more legitimate.

**Laurent Cohen-Tanugi:** I agree with what Chase and Burwell have said and so will take a step back to look at how the US and Europe have been responding to the economic and financial crisis. We have succeeded in stabilizing the world economy but we have only achieved a convergence of issues rather than a convergence of solutions.

The EU has played a leadership role in setting up the international framework for dealing with the crisis. This had to do with circumstances related to the French presidency in Europe and the electoral process in the US. The French set the agenda in the form of a three tier approach, rescue, reform, supervision. Moreover, there has been no trans-Atlantic confrontation from the crisis. We have seen cooperation and cross-fertilization. We have even seen a surprising role reversal between the two sides of the Atlantic and between Continental Europe and the UK.

We are also seeing strikingly similar monetary policy with a key role given to the Fed and to the ECB. And we have seen a containment of protectionist tendencies.

As for differences, the EU does not have crisis management instruments and we have not been able to play the same role on an integrated basis. It is only at the level of the ECB that we have something comparable to the US. A second point is the difference in welfare state based stabilization. A third is internal cohesion within the eurozone. The US has its own issues that have made the whole area very political and therefore very unpredictable.

The crisis is not over. Bank balance sheets have not been cleaned up, particularly in Europe. Major US banks have not paid back their special loans. The credit crunch persists. Taxation of financial transactions is being studied and the whole area of regulation and supervision has not come up with a formula to deal with systemic risk.

In the real economy we have massive unemployment and massive public debt requiring major fiscal adjustment. We also have a weak recovery dependent upon government support.

The longer-term is focused on growth and jobs. The US is focusing on long-term investment. In Europe, we have the so-called Lisbon strategy. I am not optimistic that the OMC is going to achieve results (more of the same). The Commission needs to refocus on community instruments and rely on common policy. We need more coordination of reform agendas. So to conclude, we are on parallel tracks, the US is unlikely to lead, and the EU is not yet ready to recover.

**Pierre Defraigne:** I am looking forward to a more mature relationship between the EU and the US based less on emotions and more on interest convergence. I am reluctant to talk about strategic partnership or strategic dialog. The EU is not a strategic actor. Look at G-20 and Copenhagen. Look at Haiti. Both the EU and the US have lost credibility and are on the defensive with only themselves to blame for the financial crisis. The mismanagement of the US economy is to blame: huge inequalities; lax monetary policy; toxic assets.

The EU would like but cannot behave as a reliable partner for the US. First, enlargement has jammed up the integration process. There was a trade-off between enlargement and integration. Second, unanimity continues to hamper the major policy areas and to increase unpredictability for partners. Third, EU economic performance has been unconvincing both in terms of slow growth and creeping inequality.

The Lisbon strategy was a farcical tragedy because it failed to deliver. We have an economic constitution for good weather that does not work in storms because of deep institutional inconsistency. If you look at the distribution of competencies between the EU and the member states, it does not work. When it comes to stability, we have a 50:50 system with the EU having monetary policy and the member states having the budget. And so our community is helpless in the face of a demand shock.

Last but not least is equity. The single market and single currency ease tax competition on mobile factors and lead to the erosion of the progressive taxation system in the near future.

Let me conclude that with appropriate reforms and progress, the EU can aim to be on a par with the US and China as an equal partner in framing a multi-polar world. We don't need any more FTAs. Free trade between large players would be a terrible mistake. EU can only envisage to be a strategic player if it achieves financial sovereignty, tax sovereignty, monetary sovereignty, and defense sovereignty.

**Michael Mehling:** Focus on the challenge to green our economy and to generate a low carbon economy. Three part presentation.

First, achieving a sustainable economy has many components affecting industry, consumption and investment. If we focus on the climate and energy component we find that even mainstream organizations like McKinsey show that to avoid the most dangerous impacts of climate change, we need to ramp up green investment. Moreover, delay makes it even more costly (Stern report).

These are enormous figures and most of this will have to come from the private sector. Unfortunately, private sector support has dried up considerably both for large-scale investments and in lower cost elements like education. Stimulus packages have not picked up much of the slack. There is a huge volume of stimulus out there and each had some green component at around 10 to 15 percent of the overall package.

Can they make a dent in our economic trajectory? Even if you look at the absolute volume of funds and juxtapose that with the estimates for what is required for us to move toward sustainability and then bring in the private sector, you find that we are nowhere near the level needed. The largest ever spending is only a modest contribution relative to the scale. Moreover, we cannot count on the repetition of these packages because of the debts that they created.

Stimulus will also result in more carbon usage; it is not always in the most sensible projects (like highways versus public transport), energy intensive activity, etc. Even in sheer volume these policies cannot repair the absence of private investment and so we need a more suitable regulatory framework.

Here we need more effective trans-Atlantic cooperation. The EU-US energy council started with high hopes and now entails only modest ambitions.

**Federico Steinberg:** I would like to focus on short-run and medium-term risks both as they touch on the EU-US and including China.

One very short-run risk is the possible recession next year due to the weaknesses of financial systems. One medium-term risk is protectionism arising out of long-term unemployment. Another is global macroeconomic imbalances and the risks that represents.

We have saved ourselves from another great depression but we still have weakness in the financial sector and a precipitous exit strategy could trigger another downturn that would cost us more money to fix. We need to wait before we withdraw support and we need to be careful for another food and petrol price hike.

Two risks appear over the medium term. On the trade side, volumes are down because of weak demand and lack of financing but trade is starting to grow again. I agree that the political economy of protectionism is different and yet the WTO did a great job (not G-20) in holding down tariff levels and more importantly anti-dumping procedures and other flexible safeguards have released steam in the system. However, where we saw weaknesses is in areas where the WTO is weak – public procurement, state aids, etc. My worry is that protectionist pressures will increase with prolonged employment and the only response is a strong WTO. We need to finish Doha with the July 2008 package. This is not a 2000s agenda but a 1990s agenda. And to move on to the new issues we need to get Doha out of the way. The EU and US need to be pragmatic here so that we can move forward.

The second problem has to do with global imbalances. These are one of the reasons why we had the global financial crisis. The Chinese are unwilling to revalue and don't want to be pressured. So long as the reserves continue to accumulate, China bashing will continue and we could witness something like 1971 with unilateral tariffs to force a revaluation. The problem is the WTO will get involved and this could precipitate a crisis in WTO. The only solution is for Europeans to link revaluation of yuan/renminbi with IMF reform process.

## DISCUSSION

**Nicholas Mabey:** One of the trends we are seeing is the resource sector. Given that we are seeing resource use pick up again, what can we do to coordinate our strategy toward resource use?

**Miranda Schreurs:** About green jobs and investment, there was an attempt to link reform and investment and yet now we are seeing some backlash against the actual investments suggesting that they are not pushing us in a direction of sustainable growth and jobs.

**Giovanni Grevi:** To what extent are there still different values about states and markets and how deep are these differences. Haven't we all come to agree on the primacy of the capitalist economy? This could have big implications for the future of global governance.

**Alar Olljum:** Following up on macroeconomic imbalances, what are the prospects for IMF reform and how is it relevant to addressing these imbalances?

**Richard Higgott:** There are some hand-grenades that people may want to think about. And two or three of the questions have a particular target.

**Frederico Steinberg:** On IMF reform relevance. The reform that took place in 2006-2008 was a good first step but we need to move on. Most of the Asian economies wanted to accumulate reserves because they couldn't trust the IMF. If they had more votes, they wouldn't need so many reserves. This will weaken the European side but could give them scope to pressure China to reduce its macroeconomic imbalance.

We have problems with the governance structure of the euro and we missed a real opportunity to change world currency. The euro will keep appreciating and gaining market share but not as much as we would like to see here in Europe.

**Michael Mehling:** It is impressive to see how much of an impact the Massachusetts Senate election has influenced domestic debate. Green growth, green jobs has not been communicated effectively. Hence John Podesta has called for help from Europe in selling a green future. But it is a two-edged sword because Europe doesn't sell well in the US. A more subversive approach would be to allow the US to borrow freely from Europe.

**Pierre Defraigne:** The key to avoid a new crisis is to reform the international monetary system, forcing China to revalue its currency. Something not easy to understand is the difficulty on the left in keeping up with the transfer of sovereignty from the member states to the EU. The successive defeat of the left across Europe is a sign that the social democrats have failed to take advantage of the European dimension. This is a real problem for the legitimacy of the EU. With sluggish growth, rising unemployment, rising inequality, this is a real problem. It may also be a new political dynamic bringing the citizens closer to a new citizen ownership of Europe.

**Fran Burwell:** Two quick points: usually we see differences in investor treatment, state relations, transparency and rule of law. The question is whether countries move in a direction that we see as desirable or whether they do something else entirely. The jury is still out as to whether China will be a proponent of a big market economy. The second point is about Doha versus bilateral. I wish I could see sunny prospects for Doha. On the contrary, there is no appetite

for Doha – particularly with a Democratic president facing an isolationist Republican party. Assuming we cannot get Doha, what are our other options for preserving an open world economy and an effective WTO dispute resolution mechanism.

**Peter Chase:** I was going to touch on the same points. On the normative side, this gets very much to the question of growth models that emphasize social and environmental investment. In a lot of countries, you have purely export-oriented and in others you have crony-capitalism. When you are thinking about changes, we have to ask what changes we want and on what basis. The EU should be a necessary ingredient in any new rules.

With respect to Doha and IMF reform, these are related. There is an appetite for a Doha deal but it is not this one because there is no liberalization, particularly in the India-China relationship. We have not yet figured out how to manage relations between third countries. We are no longer the center of the universe and yet our negotiating tactics have not changed to reflect that fact.

China's current account imbalances are more dangerous for China than our imbalances are for the US. China will have to address this issue because they have no choice.

**Maria Joao Rodriguez:** This was a rich debate. Starting with Grevi's question, we have a variety of capitalism and if you speak about scenarios for the next decades I see two possibilities. One is a clash of different kinds of capitalism. Another is a strategic convergence (conditional). It is important for us to work together to frame that strategic convergence. Assuming that we need to make capitalism more compatible with sustainable development. Assume also that the best examples of this synthesis is in Europe. We still suffer from a lack of dynamism. China would like to have a synthesis of Europe and the United States. We need this strategic convergence to precede regulatory convergence.



Luc VAN LANGENHOVE, Tod LINDBERG, Vicente PALACIO, Mario TELÓ, Ron ASMUS, Jan Wouters and Elspeth GUILD



## Session 4: Climate Change after Copenhagen

**Nick Mabey:** In climate change, the EU has everything it needs to be a global player. It has common positions, economic assets, public support, and coherent domestic and international policy. Yet even with all that, things don't go well. The US achieved its goals and got no blame. China achieved its goals but played a high price in blame. The EU did not achieve its goals and yet still paid a high price. One lesson from this is that no-one really knows how to play in a multi-polar world. Things happen. We all need to get better if we are to achieve what we need to achieve.

Let me leave you with three questions about the EU-US relationship: Do we agree on climate security and specifically on a 2 degree target? Unless we know what we are aiming for, it is hard to see what to do. There is a big difference between 2 degrees and 3 or 4. Secondly, people talk about technology cooperation and we own most of the patents. But are we cooperating or are we competing? Is this talk real or not? Most of the money is focused on national competitiveness. Finally, China and the 'basic' countries – is there a common position toward this new grouping? The US and the EU did talk about a binding regime but China seemed to go the other way. At the heart of this, there is lots of talk about common values but when you get specific there is as much divergence as convergence in evidence. How do we bridge that gap to create a space where we can define some space to work together.

**Artur Runge-Metzger:** Looking at Copenhagen, the results are rather disappointing. What we were aiming at coming out of the UN process was a legal text. What we ended up with are two procedural decisions about how we will continue negotiating from here. Second we got a Copenhagen Accord. This Accord is interesting in terms of how it saw the light of day. This was not the product of 'chief negotiators' but by heads of state over a period of 24 hours. The last time this happened was in Potsdam 1945 when people were thinking about the future of Germany. This shows the significance that climate policies have achieved in the international agenda. This is not only in the US or the EU but also in the developing countries including small countries from all parts of the world.

When it comes to the content, you will find many positions. There is a consensus that we should keep the increase in temperature below 2 degrees. Where we disagree is who is to contribute what. Now we are looking for pledged contributions. From our experience, this is not going to work. What we will see is that people will pledge only what they have already done. In that respect, Copenhagen is a milestone but not an end point. We never had a chance and the time to discuss these contributions.

Another important piece in the whole report is the reference to funding. This is a big movement from the US Clinton said that the US could agree to \$100 billion by 2020. It also means that the developing countries could agree to those numbers. This is much different from what the developing countries wanted as a percent of GDP. Yet the numbers in the accord are much lower and closer to what the European Commission proposed last year. The question now is how the money is used and there are ten big technology initiatives that this money could help to set up. Therefore, on technology cooperation, the Accord could be good news.

There is also a commitment to reduce emissions from deforestation. This is an important part of the puzzle. To move these commitments from talk to action, we can use some of the money that has been committed. This supports the view that we agree on the target and want to move forward even if we don't know precisely how to get there.

On the downside, there is no legally binding commitment. There is no enforcement mechanism or sanctions. Certainly from the EU perspective, that is a strong downside. We believe in legislation that has these elements of compliance. That is how we do things at home as well. Here I think we can look at how far we can see differences. This is what the US was looking at. They could not sell it in the Senate. They want to be at par with countries like China and India. Those countries cannot accept a binding commitment and so neither will the US. Even if you look to the future, India is against legally binding from the Mexico summit (forthcoming) as well.

A few remarks on EU-US cooperation. I think it is true that we have common interests. One of these is on the need for a global agreement where everyone participates and contributes. We also agree on helping developing countries depending upon how much assistance they require. Should we give money to China? There was a little fight between Chinese officials and others as China rejected assistance. They might want to cooperate to move new technologies forward, but they do not want assistance or huge amounts of monies. So the US and the EU have common interest viz. developing countries.

What is important is developments within the US. There the signs were very good during the Autumn of last year when we saw a lot of new legislation coming through. Where we are seeing doubts is in terms of this year. The easiest thing is for a country like China or India to hide behind the US. If America cannot pass legislation, that will influence the pace of UN negotiations. That makes the Copenhagen accord more important because we cannot afford to see nothing happen in the coming months because that would mean giving up on 2 degrees. There is a lot of money on the table that needs to be implemented to move climate policies up the agenda in many developing countries. It is important that the US and EU work together to deploy that money. We have quite a coordination task ahead of us, not least because the member states hold the money and not the EU.

Where we really need to work together is in the cap and trade system. We have seen an increasing anti-market rhetoric. Cap and trade is seen as a neocolonial capitalist regime in some of the developing world. In the US and the EU we support this system –while knowing this is only one of the tools we need to combat greenhouse gas emissions– but we need to work together to set international standards on how to run such a system. That is an opportunity we should not miss.

**Nick Mabey:** it is interesting that the EU needs the US to come to the table to make things work.

**Cindy Tuck:** The governor of California is action oriented and thinks big. Climate change is a top priority for him. He wants a binding international agreement and he wants California and the US to take action now. I will talk about why environment, what California can do, and how we view Copenhagen.

In 2005, the governor became convinced on the science and learned that California is particularly vulnerable because of its long coastline, vulnerable water supply, significant agricultural industry (heat, pests, water), forest fires (frequency, severity), heat-related deaths. Working on climate change can help the California economy with green jobs and sustainable development.

Actions taken include a 2005 executive order capping emissions in California. This became state law in 2006. We aim to achieve 1990 levels by 2020. We introduced cap and trade. The law is implemented the air resources board. This is the same board that cleaned up the LA smog. The law required a scoping plan, which was adopted in September 2008. This involved both cap and trade and complementary legislation like clean car regulations, low carbon fuel standard, efficiency standards, renewable electricity standard (33 percent renewable by 2020), etc. Each one of these is a huge item requiring a change in vehicles, fuels, electricity make-up, etc. Our record is successful but this is not easy. Finally, we had to finish the regulation by the end of this year (the last year of his tenure). This is to ensure that the rules are in place before he leaves.

At the regional level, we have a western climate initiative involving seven US states and four provinces from Canada in a wider cap and trade arrangement and in an effort to share information about the various standards and best practices that are being developed.

At the national level, we are pushing for federal legislation with a strong climate change element. One state alone does not solve the problem. We need national programs and they should connect to international programs. We are hopeful that California can provide the model for national legislation. Moreover, the federal administration under Obama is taking action even before Congress passes legislation. The EPA has acted to improve fuel economy for cars, it has adopted a mandatory reporting rule, and it mandates sharing best practice – all under the clean air act. The state and the nation work closely together despite party differences.

Internationally, the governor supports the international carbon partnership. He has hosted two summits on the role of sub-national governments in the reduction of greenhouse gas emissions. In October, California signed an agreement with the Jiangsu province in China. We helped to launch the first voluntary registry for greenhouse gas emissions in China. We are working with UNDP to help with sustainable programs for developing countries. Personally, I have been on renewable energy tours in Spain and Germany to see facilities and exchange information. We learned a lot and brought a good team along to exchange information.

Copenhagen and post-Copenhagen. It was positive that all major economies have made a commitment (non-binding). It was also important that there was a focus on measurement and verification. The question is about future process. We don't know the answer. But in the meantime, it is important that we continue actions and innovation.

In closing, I want to make a couple of points about global leadership. The governor did what he did because he believed in it. Three things to succeed. First, you have to have the political will and support at the top. Second, you need a very good public process that involves input from all stakeholders. Finally, you need smart strategic hard work. People are there because they believe in what they are doing.

Going forward, leadership and collaboration are key.

**Nick Mabey:** Leadership can change quite rapidly.

## DISCUSSION

**Nick Mabey:** It is fine to say we should just get on with it, but we are getting enormous push back from industry that rejects 30 percent. Where is the impetus to drive forward domestically and to give investors the incentive to advance. What is our incentive when people feel bruised after Copenhagen.

**Miranda Shreurs:** Why was the EU not in the room when the heads of state were negotiating the Copenhagen report? Was there agreement to go ahead without the EU or was that an affront?

**Peteris Zilgavis:** Is there a possibility for the EU and the US to have some kind of common position where we share common interests in trade and environmental standards?

**Michael Mehling:** If a cap-and-trade system passes through the Senate, has the Commission been thinking how that it will affect any link-up to the US

**Arthur Runge-Metzger:** The interaction goes many ways. We have many companies suffering from a lack of financing. Companies are selling their surplus balances just to get their balance sheets right. It is not that straightforward. We need to do our economics and our math properly. We will have a new Commission in a few weeks and it will focus on jobs and growth. We will have to grow in the direction of a low carbon economy but the question is how we get there. As you rightly say, there is a lot of push back from industry – some of which is happy to put a hold on climate policy. This is because they just don't want to believe in climate change. One of the things that is making headlines everywhere is glaciers. This undermines the credibility of the IPCC.

People are bruised after Copenhagen. What people realized is how complex this issue really is. When we were moving up to Copenhagen, the idea was that we would have a deal but Thursday evening and that all went wrong. Everyone tried to push to the last moment and that backfired for the heads of state who faced a whole raft of decisions at the same time. They could see the central issues and how they are interlinked. Everyone is committed to move forward. New Delhi wants to be serious and they see that it will take time. There is commitment there.

Where were the EU heads of state? Sarkozy, Merkel, Brown, Zapatero, Tusk, etc. were all in the room and were active negotiating. The press refers to that incident where Obama bumped into representatives of the basic countries but I am not sure that was a real part of the negotiations because they wanted him out of the room. The deal was done with all the heads of state. There was also the issue of one and a half degrees. The fight was not between the SITS and the EU but between the SITS and China.

The EU and the US – there is a good understanding between the EU and the US when it comes to our shared interest. In the major economies forum, we have been working together. This will continue in the coming months. Whether we need to have a common position on trade and environmental standards – the Chinese are open to that. They start doing energy labeling because energy prices are also effecting them. One issue that also comes up is should we take trade measures. That is a divisive debate. The Commission's view is that we do not want to go into a trade war. History tells you that once you put up tariffs you immediately run into a trade war.

If you look at the European system, cap and trade mainly covers industry and not agriculture or transport. The most important thing is to get started and move forward in order to link up markets and set standards for offsets. I am not worried about other sectors.

## ADDITIONAL PRESENTATIONS AND DISCUSSION

**Nils Petter Gleditsch:** Climate change and conflict was not directly on the agenda for Copenhagen but it is sure to move up on the agenda for the future. The number of conflicts has been declining. It increased during the Cold War but has gone down since. The severity of conflict measured by battle deaths has declined for a longer period, since the Second World War. Again we see a small increase in the past five years but it is marginal relative to the decline over the previous decades.

The question is whether climate change will reverse this trend. Ban Ki-Moon has referred to Darfur as the first climate war. The Nobel committee cited climate related conflict as part of its justification for the peace prize awarded to the IPCC and Al Gore. Although this was not part of the justification for the peace prize award last year to President Obama, the President in his acceptance speech argued that climate change will result in conflict.

How can we link climate change to conflict? Melting of glaciers and polar ice, rising sea levels, changing precipitation, more frequent natural hazards. These things are thought to be happening already as a result of man-made climate change. There is less agreement on the rate of climate change. The IPCC has recently had to reconsider how soon the Himalayan glaciers will melt and create water scarcity in downstream areas during the dry season. Precipitation rates are also subject to major uncertainties.

Possible social consequences are an increase in vulnerability and exposure to health hazards; destruction of traditional livelihoods; increased migration (climate refugees); decreased predictability of the natural environment. This can be seen as a part of an extended definition of security. But this is not the same as saying that climate change is necessarily an important factor. While many NGOs, politicians and think tanks argue the case for climate-related conflict, peer-reviewed academic research does not provide any robust evidence for it. The IPCC's summary of the peer-reviewed literature is less effective in the social science domain. The same is true for the Stern Review on the economics of climate change. Where the IPCC and Stern make marginal comments on conflict, they rely on weak sources. There is very little peer-reviewed literature on the topic and so little to summarize.

Time series data on temperature increases and the number of conflicts have pointed in opposite directions in the last two decades. But there is nothing to learn from such simple comparisons. Instead we have to look at possible causal pathways to conflict. The most important is sea level rise leading to migration or droughts leading to resource competition. Natural hazards may also weaken states and lower state capacity. Most of the posited links between climate change and conflict are variations on the neo-Malthusian view of scarcity conflicts.

Statistical comparative analysis has not converged on a robust relationship between scarce resources and armed conflict. Economic migration (including environmental migration) is not necessarily a source of conflict either, unlike migration that results from conflict. Natural disasters may increase the risk of conflict but the risk is highest for geological disasters, which do not result from climate change. Finally, climate change is a slow process that allows for adaptation rather than armed conflict.

My conclusion is that climate change is a major challenge but there is little evidence that armed conflict is an important consequence. The IPCC needs to include consideration of these issues in a more serious way.

**Lars Klüver:** Will we ever get a binding agreement? It seems like the US will say no to a Kyoto track unless others move first. And others are waiting for the US. Who will break this situation and when? I am quite pessimistic. Even with the US in place it will take a long time to get the others on track. Then imagine the efforts necessary for implementation of a global deal. That will take a long time too. We need to face the probability of a lasting failure and we need to think about plan-B.

Such a plan B could be a strategy for the rich countries, which would cover 60 percent of the global emissions. Much in line with the California model we just heard of. Such a plan should rest on the fact that good energy planning is a no-regret policy area. Take the lead and earn money on it.

Denmark implemented strong energy planning in the 1970s and since then we have had economic growth without growth in energy consumption. We have earned a lot of money on this development of greater energy efficiencies.

In 2005, the big energy actors in Denmark contacted the Danish Board of Technology and asked for a project that could look at what the Danish energy sector might look like in the future.

In consensus among the actors an energy system model based scenario was constructed that brings us back to 1964 levels of energy use by 2025, but with nearly no coal consumption and 50 percent reduction of CO<sub>2</sub> emissions. And it is not 'back to the stone age'. The scenario includes normal growth rates. Moreover, this scenario made a per capita profit of \$ 135 per year at an oil price of \$ 75 per barrel.

The question is whether Denmark is an exception. We did a similar project for the European Parliament for the whole of Europe splitting it into five zones depending upon geographic features. We came up with the same results but at a higher break-even level of \$ 100 per barrel of oil.

These scenarios were based on best available technology today. It does not include economies of scale, promises of increased future efficiency, or economic income from first-mover effects from new innovation. So in fact the economic calculation I mentioned is extremely conservative.

EU-US could commit to plan B with joint research and demonstration projects on new energy technologies. Research and experience exchange on transition policies is obvious. We can also make common policies on IPR policies on energy technologies that needed to be diffused world-wide, in order to give to the poor countries access to them. A Plan B strategy like this would give many possibilities for joint research and action.

**Sebastian Oberthür:** Two starting remarks and two points. First, urgent action is needed to address climate change. We have to realize that the EU cannot force the US or emerging economies to take action. Stay cool and make things happen. Second, Copenhagen signified a fundamental change in international climate politics. In the 1990s it was a US-EU game, today it is China and the basic countries plus the US. If you look at the data, the influence of the EU is small and while they were in the room they were clearly side-lined. This is not a new world order because the order is missing.

First, what is the EU strategy. Clearly the EU needs to change its strategy. It is too early to declare the end of EU leadership. Moreover, there is another reason that the EU was cornered and punched below its weight. But it is inevitable that the EU will do better if the conversations move from power back to substance. Obviously all of us are trying to interpret the situation and so just a few thoughts:

We don't have the choice. We have to engage in leadership by example. We cannot just say it is win-win unless we are ready to push things at home.

We need to think more in terms of issue linkage and play the cards that our partners want to have. Minus 30 doesn't mean much in terms of world emissions and so we have to look at what our partners want. They want the internal market and they want emissions trading. We can make a few linkages there. Beyond that we need to consider how the EU can make them move forward. There is a blockage that we need to escape. How can we make you move in precise terms? What do you want? We need to find out what they want.

The crucial issue to watch is domestic legislation. If this comes forward in the US there will be a lot more space for the EU and the US to work together. If that does not happen, it is harder to see how they will work together. The real task is to provide complementary offers rather than competitive ones toward China. It is not a good idea to have a solid coalition with a clear division of labor.



Cindy TUCK

**Miranda Schreurs:** We have to ask what international negotiations are meant to do and whether we are not putting too much expectations into the process. What we have seen is that these negotiations are important for the development of norms and understandings. Europe has played a tremendous role in terms of leadership. You can see that there is a lot of influence from the international negotiations even though the regimes themselves are quite weak.

Looking to the future, the dialog remains important not because we are going to get to emission targets through a hard regime but because of the process that it puts into action. The number of countries influenced is large. It would be desirable to have some kind of agreement but it is worth asking what we do if that does not come about. We need to put more effort into forming strategies for emissions reduction.

What area does Europe need to move into to have the largest emissions reduction forward movement. Electricity generation is an obvious place. If we take the goals that we have now and backtrack from 2050 and what we find is that we need to move to 100 percent no carbon meaning renewable energy sources and perhaps also nuclear. What is the possibility for Europe to do that?

The same discussions are starting in the US as they explore different types of technology. The 33 percent target for California is a good example of this kind of idea diffusing. We need to move toward sector-specific regimes and we could find international negotiations on that point.

## Session 5: Fundamental Rights, Justice and Security

**Jan Wouters:** This session comprises three broad themes that touch on the very foundations of our respective political systems: fundamental rights, justice and security. They link to fundamental principles laid down in our constitutions, bills of rights and, importantly, in an ever more dense framework of international legal and political commitments, from the United Nations Charter and the Universal Declaration of Human Rights to a great variety of global treaties on human rights, humanitarian law and collective security. For ourselves in Europe, these three themes now carry special significance in light of the entry into force, on 1 December 2009, of the Treaty of Lisbon. More than ever, the new treaty commits the EU to the protection of fundamental rights and the rule of law, as well as to 'the strict observance and the development of international law'. But also for the transatlantic relationship, fundamental rights, justice and security are of crucial importance: now, in the past and in the future. Next to our common historical bonds and our joint belonging to global treaties and institutions – from the UN to the Human Rights Council in Geneva – there is of course the 1949 North-Atlantic Treaty, the bedrock of NATO, which explicitly stresses our 'common heritage and civilization', the principles of democracy and rule of law, our solidarity in security, and our commitment to the purposes and principles of the United Nations Charter. Yet there are also marked differences between the EU and the US on these themes.

We have an excellent panel to discuss both the differences, commonalities and common challenges and opportunities for cooperation. In light of the FP7 research being conducted and recent developments in transatlantic relations, I suggest our eminent speakers touch upon: (i) EU-US relations and international human rights and humanitarian law over the last years



and prospects for the future: one can think here of Guantanamo Bay, extraordinary renditions but also the Human Rights Council; (ii) EU and US approaches to security, resort to force, resort to surveillance and the implications thereof for fundamental rights and the rule of law; (iii) EU and US approaches to the role of public and private security actors in the homeland (e.g. prisons) but also externally (war and peace operations).

**Elsbeth Guild:** We have examined the relationship between freedom and security in the EU. I would like to do three things. First, I want to map some of the controversies between the EU and the US that we currently face. Second, I want to explain why those controversies are so difficult to deal with in institutional terms. Third, I want to comment on the way forward.

Wouters has mentioned Guantanamo and parliamentary discussions on the closure of Guantanamo are ongoing. This is a symbol of what is happening both in Cuba and elsewhere (e.g. Bagram) and the question is how should detention take place if you are not a US citizen and what kinds of remedies should apply. This is a controversy that remains on the table in EU-US relations.

The second controversy is about the SWIFT affair and access to information. This is about whether US authorities should have access to information on bank transfers within the European Union. Under US law, the government requested information because it was stored in the United States. The company moved its data storage facility to the EU and the US authorities still request it.

A third controversy is the PNR affair about the US requirement that passenger name records of anyone traveling to the US given substantial information before leaving the EU. The question is what can be done with that information and whether it complies with EU data protection standards.

These are big controversies that touch on the European Parliament and the member states. They have required tremendous time and energy in the Council and Commission. And they have engaged other institutions in the protection of EU citizens as well.

There are other issues which I could mention like the death penalty that touch on fundamental rights; torture and close cooperation with the US; etc.

Why do we have so many difficulties dealing with these issues? We are looking primarily at domestic policies and not international policies. I will focus on fundamental rights (constitutional) rather than human rights (universal).

What are the structural issues that make this so difficult? We have two different orientations on fundamental rights and security in the EU and the US. In fundamental rights, the starting place in the EU is not just to look at constitutional traditions but also to look at the European Convention of Human Rights. This moves us immediately from a constitutional framework to a multinational framework. We believe fundamental rights should also include human rights. We also make fundamental rights the possession of the person and not an attribute of the constitutions *per se*. This gives us a framework that is less oriented on citizens and more encompassing of everyone no matter what their legal status may be. This framing is opening out.

In the United States, fundamental rights emanate from the constitution and the bill of rights. The great debate that has taken place about torture has centered on whether national definitions superseded UN definitions. You have a much more sovereigntist approach to what rights are and for whom they exist.

This feeds directly into our understanding of Justice. In the EU, justice must be understood in a trans-national and supra-national context. This means that the European Court of Human Rights has a determining role. This is a movement towards a system where the individual has access to supranational instances which have binding effect in domestic politics. In the US we have national sovereignty and the supreme court.

When we come to security, the framework is also different. In the EU security cannot be separate national definitions but must be negotiated across member states. For example, when the UK objected to Geert Wilders, this had to be negotiated against Wilders' right to speak to the House of Lords. The UK ultimately ruled in favor of Wilders' rights. UK security had to be subordinated to EU freedom. In the US, by contrast, security is very much about borders and citizens inside them. The entitlements of foreigners are less important than the security of the US. See this week's *New York Review of Books*. See also similar Swedish cases. [Please note: this is a reference to David Cole's article in the *New York Review of Books* regarding the judicial treatment in the US Courts of Maher Arar's claim to compensation. The similar Swedish cases are of Mr Azeri and Mr Agiza].

We have quite a different understanding of the relationship on the two sides of the Atlantic. So how do we move forward? One of the first issues is the question of the EU and the member states and the various roles that different actors play. There has been a lot of discussion within the EU about institutional incoherence and inconsistency and question of the capacity of the EU to have a common policy. There needs to be recognition on both sides that there will be differences and we need to accept that privileged access needs to be reconsidered. We also need to respect one-another's positions. EU-US relations may become more fruitful in the field of fundamental rights, security and justice where negotiations on difficult issues remain resolutely on the table between the parties at the EU-US level and do not morph into bilateral discussions between the USA and some Member States at the same time.

**Jan Wouters:** On SWIFT and PNR, let me try to formulate more sharply what we are balancing. We are fighting terrorism in an era where a rapid and comprehensive access to data can be life-saving for large parts of our population. We need to balance that need against fundamental rights and data protection.

**Mike Ryan:** In the Cold War, security was as subset of defense. Today, defense is a subset of security. The two have always been linked but rarely have the links been so obvious. Three points: Are we really preparing for the future or just reorganizing the past – do we know what we are trying to do and how? Are we preparing to operate now in the emerging world order? Are we using our time effectively? Win-hold-win.

The first step is consolidation of current capacity and transform those capacities into integrated and synergistic forms of cooperation. We have an opportunity given force arrangements and reorganizations to gain focus. But as we do that, we should ask ourselves whether we are going to play better as unitary actors or are we trying to leverage one-another's strengths.

NATO and EU are good examples. Both organizations are working to make themselves better but need to leverage capacities better with one-another.

If you go to the security jam (.org) you can find out more about concrete ideas in implementation.

Second, I would like to emphasize security, development, and the environment. There is a direct relationship between all of these factors and the way in which disparate actors work together.

Third, the globalization of crisis response. Practical preparations are needed now to organize, train, and equip joint interagency multinational multi-organizational and public-private entities to operate together anywhere in the world. The difference between how we respond to crisis at home or abroad should be little. But we need to discuss who what when why how. We have to get to know each other and we have to take preparations. Ultimately, as we think about it, Article V will require a comprehensive approach to protect our populations. If people don't learn how to do things at home, how can they do it abroad.

**Jan Wouters:** It is indeed important to bring in the link between EU and NATO and the need to make efficient use of scarce resources.

**Doug Cassel:** I will focus on what we have in common and what we have to do about it. First, though, two nuances. It is of course a fact that there is no monolithic view either in the EU or in the US on these areas. Moreover, we should discuss our differences rather than simply accept them. Part of the reason that US policy evolved in the second Bush administration was because Europe stood up to say that what the US was doing was wrong. People listened to that. It is important for Europe to stand up on issues where they think they are right.

Turning to our commonalities, we are in a human rights moment. If we look at where human rights are historically, we can see... We both have representative democracies with relative respect for minority and individual rights; growing gender equality; relative freedom of the press; protection of basic freedoms of all persons subject to proportionality; rule of law with independent judiciaries and due process. The trans-Atlantic consensus is a rare thing both historically and geopolitically. It would not have existed a century ago. How long has it been applicable in Spain, Portugal, Greece, Central and Eastern Europe, or the United Kingdom.

Outside the European Union in Asia, Africa, and Latin America, there are few countries that fit within the consensus in the real world and they have not been part of it for long. This is a rare precious human rights moment in a small part of the world. The rising powers of the 21st Century are not part of this consensus and they are not likely to join soon. What we have achieved is worth valuing. If we focus only on our differences, we may forget to defend what is most important in what our civilizations have achieved.

We should look both internally and externally. How can we defend this moment? Perhaps we should coordinate in the UN human rights council – but we need to be careful not to compartmentalize human rights policy in special institutions rather than mainstreaming human rights even in areas where they are not usually mentioned. For example, the UN treaty bodies are a good area where we can coordinate, support for the High Commissioner's office, in the World Bank, commercial banks and development banks (equator principles), the UN security council and the terrorism committee, the OECD national contact points that now receive

human rights complaints, the ICJ which is increasingly concerned with human rights issues. I could go on with bilateral and regional concerns like NATO or the ICC. In all of these areas, if we want to project globally what we have achieved regionally, we will have to coordinate.

This will not be easy. I would suggest as a first step a meeting on how to mainstream human rights in the external activities. Mike Posner and Anne-Marie Slaughter would be good participants. Given the complexity of the EU structure, it would be important to have a high enough and broad enough composition to make a difference.

**Jan Wouters:** The point on mainstreaming is well taken and dovetails well with Article 21 of the Lisbon Treaty.

**Francesco Francioni:** I will make a few comments on the general issue. The opportunities for cooperation are many. The Human Rights Council is a good example. We should also think of bringing human rights into the economic forums. I mean the WTO in particular (as in the arbitration of investments). There is an opportunity here to fight the compartmentalization of human rights. There are also opportunities even in the Security Council to make the procedures more transparent and accountable especially in relation to the nagging problem of anti-terror targeted sanctions.

In our research project on PRIV-WAR, we have looked at the privatization or marketization of military force. From a political science perspective, I think we need to realize that this privatization of military force goes hand in hand with a redistribution of power. There is a shift whereby the control over military force is denationalized as a consequence of emphasis on the international use of force. NATO and the European Union remove control of the use of force from national supervision. The outsourcing of force also alters the checks and balances within the state by concentrating control in the executive. Whether this occurs as a consequence of broader social events or self-conscious attempts to concentrate power is open to debate.

From the legal side, the question we face is a regulatory gap because the outsourcing of security and military functions to commercial actors remove them from the direct control of the state and renders possible violations of human rights and humanitarian law more difficult to attribute to a state. Besides, while there is no international instrument on the outsourcing of force, in some countries it is criminalized, in others it is permitted and regulated, in others it is not subject to any regulation. So what are the standards of accountability? Do we need an international normative instrument to establish limits to what kind of governmental functions is possible to delegate and what kind of inherently public functions, such as the use of force, intelligence gathering, etc, may not? Is it preferable to establish binding legal standards or rather soft law instruments such as codes of conduct or self regulation enacted by the private military industry itself? In this perspective there is room for reconsidering the role of human rights especially in the European context where human rights have been constitutionalized at a supranational level. Such reconsideration should include also the role of human rights in the external relations of the EU so as to ensure that private military and security contractors hired by, and operating in, the EU conform their conduct abroad to the human rights standards and policy objectives of the EU and of its Member States.

**Tim Jones:** If there is a European model for counter-terrorism, it is based more on the rule of law than on the military. This is due partly to the fact that hard counter-terrorism is not something

that the EU does. It is also borne of the long experience of counter-terrorism in the member states. As EU policy counter-terrorism dates only to 9/11. Prior to that point, it was exclusively a member state responsibility. The countries that experienced terrorism viewed it as a national security problem. 9/11 convinced us that it is an international threat. This led to the adoption of an EU counter-terrorism strategy and the rule-of-law model was extended from the national experience to the European level. It is not that the Europeans always do the opposite of the US, but rather that this was their experience. The key thing looking internationally is the hard-learned lesson that the promotion of human rights and counter-terrorism policy are mutually reinforcing. Hence, e.g. Guantanamo is a major recruiting tool but being convicted in a criminal court is not.

In terms of policy perspectives, there are two things to consider. One is the question of what we do in the trans-Atlantic area of justice and security. The other is external to that area. Internally, we need to develop a sense of common rights within the common area. If EU citizens could get the same rights as US nationals within the United States, this would go a long way to redressing the balance. Externally, the real challenge is Yemen. We have to ensure that Yemen does not become another Afghanistan. This will depend upon our getting our development and security policy right. India is a key challenge to look at because it is a functioning democracy and it faces major terrorism challenges; we should give it more credit for not attacking Pakistan after Mumbai.

The final point to make is that we don't always have sufficient self-confidence in our policies. We do things well. And for example on questions like the PNR debate is that these issues have been presented as reacting to US demands. Europeans need to start thinking about what they want.

## DISCUSSION

**Angela Liberatore:** The model of counter-terrorism as rule-of-law based favored by the EU seems to be favored also by the Obama administration, nevertheless we still have some differences between the EU and the US and within the EU and the US. My question is what is the new dynamic between convergence and divergence that we should grasp. It seems that sometimes we have a diverse approach to means-ends relationships. Information is a case in point: information is very important, but the question is what we do with that. On the other hand, what if something goes wrong? Who gets access to the information? More generally, what are the appropriate means-ends relationships and what are the safeguards? This is relevant also with regard to issues such as the military responses to climate change and the privatization of war.

**Michael Emerson:** Tim Jones mentioned the issue of asymmetry and there has been the extreme case of asymmetry in extradition law. Has the new treaty with the US eradicated the asymmetry problem?

**Elspeth Guild:** We are all aware in Europe of the difficulty of brokering agreements in these fields across 27 member states and there has been a lot of friction and unhappiness about US bilateral actions that have complicated EU negotiations. In some areas, this has led to resistance to working more closely. As for asymmetry, the agreement is a step forward. Significant issues remain, not least of which is the death penalty.

**Mike Ryan:** Events don't always give the time for reflection. Those who act are those who are capable; they act with the tools they have. Ultimately, we hope to have the full range of tools available to us. The US responds militarily because it has military force projection capability. 95 percent move people and material from one place to the next, a very small percentage is engaged in actual fighting.

**Doug Cassel:** Europe has adopted a law enforcement response in lieu of a military response. I would agree that Europe should sell this idea more strongly. We have a lively debate on this in the United States. It would be very important to debate that issue between the EU and the US. What we need is empirical information and argument in support of the law enforcement approach. Our presumptions are that the situation is too intractable and a law enforcement response would be necessarily inadequate.

I also agree that the WTO and bilateral investment treaties should include reference or guidelines on human rights as well.

**Francesco Francioni:** One of the threats to human rights in the past ten-to-fifteen years has been the practice of redefining the geographic scope of application of human rights in order to remove certain objectionable conduct from the scope of application of human rights. This has happened with the attempt of placing Guantanamo beyond the reach of US constitutional guarantees on fundamental rights, until the US Supreme Court has placed limits to this trend. It has happened also with the attempt at creating extra-territorial black holes for the detention of unauthorized migrants before their entry into the national territory. In Europe we have witnessed the opposite trend, i.e. the extra-territorial extension of rights guaranteed by the European Convention so as to make subjects, especially public organs responsible for the observance of Convention rights, accountable for their conduct abroad. This is very important for the work we are conducting in the PRIV-WAR project on private security actors because it may help to re-frame the role of human rights and international humanitarian law in view of bring a minimum of accountability and responsibility with regard to the conduct of military contractors. Raising awareness about the human rights obligation of home states of the military and security companies, of the hiring states using their services, and of the host states where such services are performed, is important not only to prevent injuries to the local population, but also to safeguard the life of the private contractors themselves.

**Tim Jones:** On extradition, I cannot give the legal answer but would observe that the new treaty makes extradition easier and so the conduct of trials in other countries has become an increasing subject of concern. This has led to an important debate on what the minimum standards of trial are.

On US activity, it would be safer not to comment beyond saying that there is an issue now in visa policy by Canada where there is a member states calling for solidarity.

On ways and means, we should not let the best become the enemy of the good. If we cannot agree with the United States how can we agree with anyone else?

**Jan Wouters:** I would like to thank all speakers for their excellent contributions. We can draw the following lessons from them. First, the EU and US should discuss their visions and positions in an open and frank dialogue in order to rebuild consensus. This dialogue should not only

involve policymakers but also academics and think tanks. Second, we should make best use of the expertise and resources that are available, without undue duplication (CSDP/NATO). Third, the EU and the US should work together bilaterally and multilaterally (in the Human Rights Council, the Security Council, the World Bank and so on). As the European Security Strategy stated: together, the US and the European Union can be a formidable force for the good in the world. Let us foster our relationship and invest heavily in it, for we will need each other direly.



Michael EMERSON, Francesco FRANCIONI, Doug CASSEL, Miranda SCHREURS and Cindy TUCK

## Session 6: Strategies for a World Re-Ordered: Multipolarity, Interpolarity, and Effective Multilateralism

**Giovanni Grevi:** The purpose here is to discuss what strategies the EU and US could shape and undertake to manage the transition toward a different international system and to sustain multilateral cooperation in these different contexts. Where are we headed and what is your reading of the international system? What strategies can be shaped to manage these changes and steer them toward effective multilateralism? The difference between a multi-polar and inter-polar scenario lies in a shift of emphasis and a change in the context.

**Ron Asmus:** When Americans look at the European Union and think about world order, our goal is to help Europe stabilize Europe and to build a stable partnership to influence the rest of the world. We want to lock in peace and encourage Europe to be our partner. Even if power is shifting, we still need cooperation. We have a great opportunity now with Obama and Lisbon. That said, Obama is less Atlanticist than the previous generation. Lisbon did not create a big bang. The EU is too complicated to do business. Obamamania is subsiding in Europe. European norms are no longer so influential.

What do we do? We need to take a close look at what needs to be done. We have a deeper, broader, and richer relationship across the Atlantic within grasp but it is not going to happen automatically. This is key to the creation of some world order. My answer is in two parts, top-down and bottom-up. On the top-down, I am struck by how our leaders are bored by European meetings because the big issues are not on the agenda and the follow-up mechanisms are not in place to get things done. So what agenda of two-to-three issues that are of vital importance to both sides like Pakistan, Asia/China, and how can we make the meeting more than just a consultation exercise? We need people to go off and do things and then make sure that something happens.

The bottom-up part – I am struck by the basic asymmetry. You have few people who are active on the US-EU relationship. We probably do ten times as much on NATO as on the EU. Why don't we have more joint working groups among researchers or think tanks on US-EU summit processes? I don't think we have organized the best and the brightest yet. If we did that, maybe we could create more momentum behind this relationship. There is a window of opportunity but I don't know how long it will stay open. If we don't get this right, then the world order will go in a very different direction. The stars are in alignment, but we haven't grasped the opportunity. This should be the year of Europe and yet the administration has made no major policy pronouncements on Europe. If we haven't done something by December...

**Luk Van Langenhove:** I will focus on three claims. First – I believe it is becoming increasingly difficult for Europe to play a global role. Secondly – I think we can see some opportunities for improved relations between the US and the EU. Thirdly – I will propose that the EU steps up its role as a change agent in the multilateral system.

We are witnessing two major transformations that are weakening the influence of the EU to act as a global power. There has been a shift in gravity from West to East with implications both for Europe and for the United States. This is challenging our economic weight but also our scientific supremacy. The growth in higher educational opportunities in emerging market countries is astonishing. At the same time, demographic changes are moving against Europe and the US with significant implications for our representation in multilateral institutions. Europe will have neither the people nor the economic weight to play a global role.

There are two opportunities as well. One is the shift to multi-polarity. The other is linked to changes in the international system. On the shift to multi-polarity, we should not assume that it is a given fact. There are some signs that we are moving that way, but the world is also largely unipolar. The demise of the US has been greatly exaggerated. Moreover, even if we move to multi-polarity, that does not mean we will all become equivalent. If Europe would like to play a role then it will have to fight for it. Can we imagine ourselves in a multi-polar world within which Europe is not really a pole? That risk is there. The opportunity is for Europe to fight for a place.

The second opportunity is related to the changes in multilateralism. We see that outside the regular institutionalized multilateral system, there are new more flexible entities emerging. Multilateralism is changing and the old model where only states play a starring role is giving way to a new model where states are important but other players have an influence as well. We are moving toward a more networked form.



What can the EU do? We need to deepen integration with the rest of the western world. We need to think about a real FTA with the US. But maybe we have even to broaden to a triangle that includes Moscow as well if we are to compete with the rest of the world. Second, the EU needs to play a more effective role as an agent of change, taking the lead in reshaping the system. Finally, the EU needs to continue looking for a 'Grand Strategy'. The most promising thing was the report of the European Research Board talking about a new renaissance through research and development.

**Tod Lindberg:** We talk about characteristics of the international system as if they are factual matters but we cannot measure these things and so the interpretations are contested in a way that suggests that the relationship between the characteristics of the system and the conduct of the states within it is rigid. We could try to measure the system using neutral criteria, assessing the distribution of power, for example, but I have the suspicion that our empirical analysis would not influence our policy choices because our choices do not follow from the characteristics of the system. It does not follow that structural factors determine policy choices. This is not to say that there is no influence, but it is not the end of the discussion. We can talk about policy choices without ever resolving how the system functions.

I will speak from an American perspective – a broad bi-partisan agreement that the US is the most powerful country and will remain so for a long time. The US will therefore respond resolutely to its long-term commitments. The question of uncertainty or hesitation comes when presidents find themselves pondering the shape of what to do. When Bush wanted to change strategy in Iraq, he was able to do so. The same is true for Obama who changed tack in Afghanistan. You should not conclude therefore that the US is any sense exhausted or wanting to get out of the game. It is true that we suffer from economic downturn and polarization, but this is not leading to either paralysis or malaise.

The unilateralism of the Bush administration is gone and will not come back. Obama is our most multilateral president by inclination. Nevertheless, there is a broad recognition of the benefits that flow from cooperation. The Obama administration has been very pragmatic about how it pursues cooperation. Thinking about where we go from here, I would reflect on the dismal science. We don't need to dictate outcomes. The US has rebalanced expectations and recognizes that we are stronger when we stand together. This brings us closer to comparative advantage rather than absolute advantage. So long as actors specialize in what they are good at, that is enough. The key is to have an environment of cooperation. Africa is a good example here. The experience is one that we should focus on closely. There is a great deal of capacity building that needs to be done and the EU has done a great job identifying that and could play a meaningful leadership role.

**Vicente Palacio:** Five points: We are in a complex multi-polarity. Inter-polarity does not reflect the current moment. We can think of polarity not in classical terms of balance of power. Power poles cannot easily be identified but we can be clear that some poles are stronger than others. We can have multi-polarity with power politics and multilateralism. It is clear that we are moving from a small number of poles to a larger number of actors – some of which are not really powers at the global level but at the regional level only.

The problem that we have is that most developed powers are political players while emerging economies are not responsible stake holders in global governance. Moreover, they have no soft power. I will express this in three ways: they act against US initiatives, they break the rules, and they do other bad things too.

The US and EU need to lead the way. Moreover, they risk falling behind and being divided if they do not act in concert.

**Mario Telo:** Firstly, the research policy: precisely the current global instability, unbalances and profound uncertainties make the need of more research particularly urgent. Furthermore, if compared with our Advisory Group in Social Sciences comprehensive and global workshop of 2004 (in this same room) regarding the research priorities in social sciences for the 7th research program – opened by the leading US scholar R. Keohane, M. Rodrigues and P. Lamy – we have learned in the meantime how relevant taking stock of the bilateral dialogues for better focusing the future research agenda can be. We are deepening bilateral expert dialogues with the BRICs and, of course, we should enhance our dialogue with the US scientific and research community at first.

Secondly, regarding research priorities and contents the question is why is the current global system more uncertain than ever? Multi-polarity is not a concept, it is rather a mere empirical description, while the true question is what new kind of multi-polarity is emerging? By analyzing the several poles which are emerging at economic and political levels the old 19th century ‘balance of power thought’ looks as not useful for knowledge. Five main tendencies are at work simultaneously, sometime conflicting sometime combining with one-another within an asymmetric and post-hegemonic multi-polarity:

- ★ the emergent economic/political powers are fostering sovereignty enhancing logics, but they are also framed by an increasingly interdependent world where international regimes are growing up as their number and scope (inter-polarity, according to Grevi);
- ★ Copenhagen and Pittsburgh were presented as evidence of an emerging US-China duopole: the caveat is that both powers would pay a high price with their traditional allies and their international image;
- ★ the declining unipolar momentum does not exclude that the US will in some years try again to take stock of its relative military and economic advantage, whereas no global challenge looks as possible to be addressed by unilateral policies;
- ★ fragmentation is going on, at economic, trade (bilateralism), political (ethno-nationalism), cultural levels (fundamentalism): the crucial point as transatlantic research is concerned, is to what extent emergent regional cooperation and regional groupings are a part of the solution (so as according to the EU point of view), or a part of the problem, as some US scholars pretend;
- ★ finally several understandings of multilateral cooperation are on the table, both in theory and practice. The EU’s distinctive meaning of a more binding, multilayered, post-hegemonic, institutionalized, sovereignty pooling, multilateral governance should be, on the one hand, more elaborated as its efficiency and legitimacy gaps are concerned and, on the other hand, made more communicative with the other multilateral approaches.

## DISCUSSION

**Marcin Zaborowski:** The President appears to be more Atlanticist (at least in his travel schedule) more than his predecessors; he came to Europe during his campaign; he has invested a lot in patching up relations with Western Europe; and he has supported the Lisbon Treaty as much as possible without being impartial.

**Michael Emerson:** How far would you take the logic of summitry in terms of inclusiveness without having it degenerate into something like a union of democracies.

**Ron Asmus:** Obama doesn't have much of a relationship with Europe. It doesn't mean he won't become Atlanticist, but don't take it for granted. As for Emerson's point, it is not too late to organize ourselves. We can do that without pushing the BRICs away. On the contrary, we become more attractive if we are united.



Jean-Michel BAER, Pēteris ZILGALVIS and Alar OLLJUM

## Concluding Remarks

**Jean-Michel Baer:** We have heard three main calls. The first was for a new paradigm for global order within which the United States and Europe can play a meaningful role. There is a window of opportunity here but as a result of the new administration and in light of the new Lisbon Treaty. The second is for clarification about what are the points of convergence and divergence across the Atlantic. Here we may find need for leadership as well as partnership, responsibility as well as capability. The sense is that what we have in common is more important than what we do not share. Finally, we have a call for common action with practical, tangible results. The question is how to engage in short-term actions will maintaining a long-term perspective. Please note that we have an open call on Europe facing a larger multi-polar world and in July we will have a call on transatlantic relations.

**Alar Olljum:** We have gone some way toward mapping the relationship. We were not able to manage the whole of the relationship. But I think we did cover quite a few major issues in a dense agenda. From here, we move forward through the new external action service. But we still need a goal. That is where the political level comes in. This is why the Spanish presidency is so important as it is the period that will follow.

## Annex 2

### MAPPING THE FUTURE OF THE EU-US PARTNERSHIP: POLICY AND RESEARCH PERSPECTIVES

ORGANISED BY THE EUROPEAN COMMISSION\* IN COOPERATION WITH THE SPANISH EU PRESIDENCY

25-26 JANUARY 2010

BRUSSELS, EUROPEAN COMMISSION, BERLAYMONT BUILDING, ROOM SCHUMANN

#### Programme – Conference

The relations between the European Union and the USA have been a vital component of the foreign policies of both partners and have played a key role in shaping global developments. Heightened cooperation as well as instances of tension and competition have characterised this close relationship, and now both partners are facing great change in their domestic and international environments.

Are such relations still important and strategic in a changing and increasingly multipolar -or even 'inter-polar'- world?

How do the EU and the US deal with each other's expectations, values and interests in addressing issues such as sustainable recovery from the financial crisis, climate change, and the protection of fundamental rights while ensuring security?

How do they see and interact with other countries and actors in the European neighbourhood as well as in other regions of the World and in institutions responsible for international law and global governance issues?

What are the prospects for the upcoming years?

These are among the questions that will be addressed by this conference, which is intended to provide a forum for dialogue between research and policy across the Atlantic in a time where the European Union is defining its new roles and modes of operation following the entry into force of the Lisbon treaty and President Obama's Administration entered its second year facing complex and difficult choices and challenges.

**Conference website:** [http://ec.europa.eu/research/social-sciences/events-89\\_en.html](http://ec.europa.eu/research/social-sciences/events-89_en.html)

\* DG RTD in cooperation with DG RELEX and supported by SCIC.

## Agenda\*

### 25 JANUARY 2010

**8H30 – 9H30:** Registration on site and welcome coffee  
(prior registration on-line is necessary)

**9H30 – 10H45:** Opening Session

**Welcome by Commission:** ★ Anneli Pauli, DG Research Deputy Director General  
and Gerhard Sabathil, Director DG RELEX – European Commission

**Keynote speaker:** ★ William E. Kennard, US Ambassador to the EU

**10H45 – 11H15:** Coffee/Tea Break

**11H15 – 13H00:** 1st Session

#### The Way Forward: (Re-)Building a EU-US Strategic Partnership

**Moderator:** ★ Alvaro Vasconcelos, EU Institute for Security Studies (EU-ISS)

**Keynote:** ★ Karel Kovanda, Deputy Director-General, DG RELEX

**Panel:**

- ★ Marek Grela, Director, Council of the EU General Secretariat
- ★ Daniel Hamilton, SAIS, John Hopkins, USA
- ★ Christopher Hill, Cambridge University, MERCURY project, UK
- ★ Jolyon Howorth, Yale University, USA
- ★ Parag Khanna, New America Foundation, USA
- ★ Constanze Stelzenmüller, German Marshall Fund of the US, Germany

#### DISCUSSION

**13H00 – 14H00:** Buffet Lunch

**14H00 – 15H45:** 2nd Session

\* Projects mentioned in the agenda are supported by the EU Framework Research Programme, Socio-economic sciences and Humanities research.

### EU-US Policy Complementarity in the European Neighbourhood

- Moderator:** ★ Marcin Zaborowski, EU-ISS
- Keynote:** ★ Hugues Mingarelli, Deputy Director-General, DG RELEX
- Panel:**
- ★ Mary Curtin, Deputy Minister-Counselor for political Affairs, US Mission to the EU
  - ★ Fraser Cameron, EU-Russia Centre, Brussels, Belgium
  - ★ Bassma Kodmani, Arab Reform Initiative, Paris, France
  - ★ Marina Ottaway, Carnegie Endowment, USA
  - ★ Elzbieta Stadtmuller, Wroclaw University, GARNET NoE, Poland
  - ★ Jordi Vaquer, CIDOB, EU4SEAS Project, Barcelona, Spain

**15H45 – 16H15:** Coffee/Tea Break

**16H15 – 18H00:** 3rd Session

### Towards Sustainable Recovery

- Moderator:** ★ Richard Higgott, Warwick University, GARNET NoE, Warwick, UK
- Keynote:** ★ Maria Joao Rodrigues, IEEI, Lisbon, Portugal
- Panel:**
- ★ Peter Chase, Minister-Counselor for Economic Affairs, US Mission to the EU
  - ★ Fran Burwell, Atlantic Council, Washington, USA
  - ★ Laurent Cohen-Tanugi, Notre Europe, Paris, France
  - ★ Pierre Defraigne, Madariaga Foundation, Brussels, Belgium
  - ★ Michael Mehling, Ecologic Institute Washington, USA
  - ★ Federico Steinberg, Royal Institute Alcano, Madrid, Spain

**18H00 – 19H45:** Reception

- Speeches:**
- ★ Pilar Ruiz Carnicero, Spanish EU Presidency, Ambassador at Large for Transatlantic Relations
  - ★ MEP Elmar Brok, Chair of the European Parliament Delegation for relations with the US

## Agenda

### 26 JANUARY 2010

**8H30:** Arrival  
(and registration of speakers not present the first day)

**8H45 – 10H45:** 4th Session

#### Climate Change After Copenhagen

**Moderator:** ★ Nick Mabey, E3G, London, UK

**Keynote:** ★ Artur Runge-Metzger, Director, DG Environment, EC Chief Negotiator at COPS-15 and Cindy Tuck, Undersecretary of California Environmental Protection Agency

**Panel:**

- ★ Nils Petter Gleditsch, PRIO, Oslo, CLICO Project, Norway
- ★ Lars Klüver, Danish Board of Technology, Denmark
- ★ Sebastian Oberthür, VUB, GARNET NoE, Belgium
- ★ Miranda Schreurs, Free University Berlin, Germany (and USA)

#### DISCUSSION

**10H15 – 10H30:** Coffee/Tea Break

**10H30 – 12H00:** 5th Session

#### Fundamental Rights, Justice and Security

**Moderator:** ★ Jan Wouters, Leuven University, EU-GRASP project, Belgium

**Keynote:** ★ Elspeth Guild, University of Nijmegen, CHALLENGE project, The Netherlands

**Panel:**

- ★ Mike Ryan, US Mission to the EU
- ★ Doug Cassel, Notre Dame University, USA
- ★ Emilio De Capitani, Head of Unit, European Parliament (TBC)
- ★ Francesco Francioni, European University Institute, PRIV-WAR project, Italy
- ★ Tim Jones, Principal Adviser, Council of the EU General Secretariat



## DISCUSSION

**12H00 – 13H15:** Final Session

### Strategies for a World Re-Ordered: 'Multipolarity', 'Interpolarity' and Effective Multilateralism

**Moderator:** ★ Giovanni Grevi, EU-ISS

**Keynote:** ★ Ron Asmus, Executive Director German Marshall Fund of the US, Brussels

**Panel:**

- ★ Luk Van Langenhove, UNU-CRIS, EU-GRASP project
- ★ Tod Lindberg, Hoover Institution Washington Office, USA
- ★ Vicente Palacio, Fundación Alternativas, Madrid, Spain
- ★ Mario Telò, IEE-ULB, GARNET NoE, Brussels, Belgium

**13H15 – 13H30:** Concluding remarks:

★ Jean-Michel Baer, Director DG RTD – European Commission

**Speeches:**

- ★ Pilar Ruiz Carnicero, Spanish EU Presidency, Ambassador at Large for Transatlantic Relations
- ★ MEP Elmar Brok, Chair of the European Parliament Delegation for relations with the US

**13H30 – 14H30:** Buffet Lunch

**Conference Rapporteur:** ★ Erik Jones, Johns Hopkins University, Bologna, Italy

**Conference scientific organisation:** ★ Angela Liberatore – DG RTD, Alar Olljum – DG RELEX, Pēteris Zilgalvis, DG RTD – European Commission



## Annex 3

### List of participants

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Mr Asmus	Ron	GMF – German Marshall Fund of the United States
Mr Baer	Jean-Michel	European Commission
Beheshti	Abolfazl	ENESD
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Mr Brok	Elmar	European Parliament
Ms Bryan	Judith	US Mission to EU
Ms Burwell	Frances	Atlantic Council of the US
Mr Cal	Vasco	European Commission
Mr Cameron	Fraser	EU Russia Centre
Mr Caracostas	Paraskevas	European Commission
Ms Carbone	Maria	European Commission
Mr Cassel	Douglass	Notre Dame Law School
Mr Chase	Peter	US Mission to the EU
Mr Coelmont	Jo	EGMONT Royal Institute for International Relations
Mr Cohen-Tanugi	Laurent	Law offices of Laurent Cohen-Tanugi
Mr Corpakis	Dimitri	European Commission
Ms Curtin	Mary	US Mission to the European Union
Ms D’Hoedt	Sandrine	USEU
Mr Davis	Christopher	US Mission to the EU
Mr De Capitani	Emilio	European Parliament
Mr De Vasconcelos	Alvaro	EU-Institute for Security Studies
Mr Defraigne	Pierre	Madariaga – College of Europe Foundation
Mrs Di Iorio	Raffaella	European Commission
Mr Dratwa	Jim	European Commission
Mr Eckle	Ulrich	European Commission
Mr Emerson	Michael	CEPS
Ms Fialho	Maria Jose	European Parliament
Mr Francioni	Francesco	European University Institute, Florence
Mr Froysnes	Torbjorn	Council of the European Union
Mr Ghiste	Jean	REED
Mr Gleditsch	Nils Petter	International Peace Research Institute, Oslo (PRIO)
Mr Grela	Marek	Council of the European Union

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Mr Higgott	Richard	University of Warwick
Mr Howorth	Jolyon	Yale University
Mr Jones	Erik	Johns Hopkins University
Mr Jones	Timothy	EU CT Coordinator
Mr Kennard	William	US Mission to the European Union
Mr Khanna	Parag	New America Foundation
Mr Klüver	Lars	Danish Board of Technology
Ms Kodmani	Bassma	Arab Reform Initiative
Mr Kovanda	Karel	European Commission
Mr Kummer	Armin	European Commission
Ms Kurant	Agnieszka	European Parliament
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Ms Myts	Iana	European Parliament
Mr Oberthür	Sebastian	Vrije Universiteit Brussel
Mr Olljum	Alar	European Commission
Mr Ora	Jaap	Estonian Ministry of Foreign Affairs
Mrs Ottaway	Marina	Carnegie Endowment for International Peace
Mr Palacio	Vicente	Fundación Alternativas
Mr Parkes	Roderick	Stiftung Wissenschaft und Politik
Ms Pauli	Anneli	European Commission
Mr Piedra	Rodolfo	CDTI Spain
Ms Pinto	Anna Lucia	APRE

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Mr Rostand	Bruno	The Cyprus Institute
Mr Rowinski	Rafal	European Commission
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Mr Runge-Metzger	Artur	European Commission
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European Commission

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Relations between the European Union and the USA have been a vital component of the foreign policies of both partners and have played a key role in shaping global developments. Heightened cooperation as well as instances of tension and competition have characterized this close relationship, and now both partners are facing great change in their domestic and international environments.

- ★ Are such relations still important and strategic in a changing and increasingly multi-polar world?
- ★ How do the EU and the US deal with each other's expectations, values and interests in addressing issues such as sustainable recovery from the financial crisis, climate change, and the protection of fundamental rights while ensuring security?
- ★ How do they see and interact with other countries and actors in the European neighborhood as well as in other regions of the World and in institutions responsible for international law and global governance issues?
- ★ What are the prospects for the upcoming years?

These are among the questions that were addressed by the conference 'Mapping the Future of the EU-US Partnership: Policy and Research Perspectives' organized by the Directorate General for Research in cooperation with the Directorate General for External Relations of the European Commission and the support of the Spanish Presidency of the EU.