1. Structural Change and Lasting Relevance

The solidity of relations between America and Europe is not rooted in harmonious (and boring) similarities but in complementing differences that help to serve as each other's mirror. Similarities are usually invoked to cover differences or to play them down. Differences are rarely touched upon in order to reinforce a relationship, but rather to prove its fragility. None of this is correct and constructive when attempting to identify the strength of transatlantic relations. It would be surprising to have two continents without differences. It would also be strange to describe a relationship using terminology of divorce and confrontation when in fact the interdependence of the two continents is greater than ever.

The United States and the European Union provide for 10.9 percent of the world's population, but hold 36.2 percent of the global GDP and almost 40 percent of world trade. 85 percent of all global capital flows take place between the US and the EU and more than 50 percent of all global resources are consumed by the people of the US and the EU.

Table 6: Transatlantic Comparisons (all data 2007)[1]

	United States of America	European Union
Population	301.1 million	491 million
Density	30 / sqkm	115 / sqkm
Life expectancy	78 years (estimate)	78.7 years (estimate)
GDP (PPP)	$13,675 billion (estimate)	$14,953 billion (estimate)
GDP per head (PPP)	$43,444 (estimate)	$28,213 (estimate)
Budget	$2,800 billion	$ 153.27 billion (€ 115.5 billion)[2]
Military expenditure	$548.8 billion	$267.4 billion

The US accounts for about 22 percent of EU trade, and the EU for around 19 percent of US trade. Transatlantic commerce makes up almost 60 percent of the world's trade and investment, worth 2.5 trillion US dollars annually. Even California exports more to Europe than to Japan. In net figures, transatlantic trade grew from 422 billion US dollars in 2000 to 475 billion US dollars in 2004, a 12 percent increase. Unlike trade

1 CIA, *World Factbook 2007*; http://en.wikipedia.org/wiki/EU; http://www.auslandsjahr.eu/2007/03/26/eu-europa-militaer-haushalt/

2 These figures are based on the dollar-euro-parity as on January 1st 2007.

relations with Japan and China, there is no transatlantic structural deficit. Economists estimate that something close to a quarter of all US-EU trade "simply consists of transactions within firms with investments on either side of the Atlantic."[3] Even in the midst of the biggest transatlantic political dispute ever over the right policy toward Iraq in 2003, transatlantic investments increased sharply. US firms put 100 billion US dollars into Europe during that year, a record high. 60 percent of the total US capital outflow of 609 billion US dollars in the decade between mid-1990's and the middle of the first decade of the new century has gone to Europe – 373 billion US dollars. Today, there is more EU investment in Texas than the total US investment in Japan and China together. US investments in the Netherlands alone are bigger than annual American investments in China. In 2003, the worst year for transatlantic relations, European affiliates in the US earned around 44 billion US dollars, a record high, and US affiliates in Europe earned 82 billion US dollars in 2003, a 25 percent increase within one year. "A weaker trans-Atlantic bond," concluded Daniel S. Hamilton and Joseph P. Quinlan, "would render Americans and Europeans less safe, less prosperous, less free and less able to advance their ideals or their interests in the wider world."[4] Around seven million Americans work for European affiliates in the US while more than six million Europeans work for US affiliates in Europe.

EU enlargement to include Central and Eastern Europe in 2004 did not slow down the increase in US-EU economic relations as one might have expected with the post-communist countries only adding 5 percent to the combined EU's GDP. Already in 2003, one year before the biggest ever EU enlargement took place, US investments in Central and Eastern Europe were about 60 percent greater than US investments in China – 16.6 billion US dollars compared with 10.3 billion US dollars.[5] The daily exchange of goods between the US and the EU is above a value of 1.2 billion US dollars. On a daily basis, almost 50,000 air passengers, 1.4 billion e-mails and 1.5 billion US dollars cross the Atlantic. In the course of a year, around ten million Europeans visit the US and 8 million Americans visit Europe, compared to less than half a million in each direction in the 1960's.

The transatlantic market place could work much more effectively. According to the President of the European Commission, José Manuel Barroso, air-transportation liberalization alone could stimulate more than 25 million passengers on transatlantic flights, generate more than 20 billion US dollars of benefits for customers through cheaper tickets and create 80,000 new jobs in Europe and in the United States.[6] Yet, the

3 Baldwin, Matthew, et al., "Trade and Economic Relations," in: Peterson, John, and Mark A. Pollack (eds.), *Europe, America, Bush: Transatlantic Relations in the Twenty-First Century*, London/New York: Routledge, 2003: 31; see also Egan, Michelle, *The Transatlantic Marketplace: Government Policies and Business Strategies*, Manchester: Manchester University Press, 2005.

4 Hamilton, Daniel S., and Joseph P. Quinlan, "We Can't Afford this Trans-Atlantic Squabble," *International Herald Tribune*, November 5, 2004: 9.

5 See Drozdiak, William, "Betting on the EU," *Newsweek*, May 10, 2004: 28-29.

6 Barroso, José Manuel, "Hands Across the Ocean," *International Herald Tribune*, April 27, 2007: 6.

idea of a Transatlantic Free Trade Area (TAFTA) has never tried and even the idea of a transatlantic economic space will take a long time to come to full fruition. It would reduce prices and increase transatlantic trade and consumer satisfaction. It would strengthen the strategic ties between the European Union and the US. During the 2007 EU-US Summit, a Transatlantic Economic Council was initiated, the best way to put the complex issue on a long haul.

Economic interdependency definitely is the backbone of transatlantic bonds that hold. Economic interdependency translates the invocation of commonly shared values – freedom, dignity of man, democracy, human rights – into the realm of commonly shared interests. This does not prevent the regular emergence of conflicts of interests. As normal as this is in any state, it also occurs in transatlantic relations. But unlike the media attention these conflicts get, they amount to not more than five percent of all transatlantic economic relations. Transatlantic economic ties are the strongest source of common strategic interests. Both sides of the Atlantic are also linked by the same threats and dependencies, most importantly as far as energy resources are concerned.

In 2005, the US imported 3,527,696 barrels of crude oil and 99,015 barrels of natural gas. By 2025, US energy imports will increase from one-quarter to one-third of its overall consumption. As for oil, the import rate could grow from 50 to 70 percent, most of it coming from the Persian Gulf. More than ten percent of US oil imports originate from Africa. Although most of America's gas consumption is based on North American production, the trend to import gas is increasing. Trinidad and Tobago has become the largest provider of thermal gas for the US. Although the US hopes to invent hydrogen-based cars by 2020 and replace the current daily oil consumption by hydrogen in 2040, for the time being the dependency on energy import is strong. As for the European Union, the situation is even more serious. Energy imports into the EU might grow from 50 percent of the overall consumption in 2005 to 70 percent in 2025. 45 percent of EU's oil import originates in the Middle East and 17 percent in Russia, from which the EU also imports 40 percent of all of its natural gas. Only Japan's energy dependency is higher with about 80 percent of energy resources to be imported. If only for their energy dependency, none of the leading industrialized regions has an interest in instability, aggressive dictatorships, terrorism, the proliferation of weapons of mass destruction and unresolved regional conflicts around the world.

For fifty years, the Atlantic Alliance has been the most successful alliance in history, winning the Cold War without firing a single shot. Yet, the controversy over the war against Iraq in 2002/2003 was equivalent to an internal Cold War of the West. It symbolized the structural transformation from the traditional Atlantic Alliance – military protection of democratic Europe under US strategic leadership – into transatlantic relations – a joint relationship of partners in the management of global affairs. The Iraq debate was as emotional and controversial as it could have been. It reflected different experiences and perceptions, also power struggles and conflicting

political choices. It hit the Atlantic partners hard: It was instigated through external events without any early warning system that could have helped to manage the controversy with smooth diplomatic measures. It was so deep and so painful since it was not only about Iraq. The depth and divisiveness of the controversy demonstrated the growing reality of a transatlantic domestic policy sphere. The European Union claims equal partnership while its internal cohesion depends upon the solidity of transatlantic relations. More than ever, transatlantic relations are increasingly turning the Atlantic civilization into a transatlantic domestic sphere and its controversies into elements of transatlantic governance. In the aftermath of the Iraq controversy, the annual G8 Summits of the leading industrialized nations became the most visible forum to bridge transatlantic gaps, to bring compromises about and to give transatlantic relations a new impulse. Thus was the case during the 2004 G8 Summit under the US presidency, when the future of the Broader Middle East was discussed in a way that helped to bring the warring Western parties together again. Thus was the case during the 2007 G8 Summit under the German presidency when face-saving compromises on the policy to combat climate change were found. They helped to bring the US back into the multilateral process under the umbrella of the UN aimed at finding a successor instrument to the controversial Kyoto Protocol by 2012. Both events were steps in the evolution of appropriate mechanisms to turn transatlantic domestic policy controversies into joint transatlantic compromises – covered up in both cases by the presence of Japan and Russia. The quality of G8 Summits for the future of mankind can be questioned. Its format is arbitrary and its agreements lack accountability. Yet, in light of the near divorce over the Iraq war, the G8 Summits played a useful albeit unintended role in stabilizing transatlantic relations.

One of the insights of Darwinism and other subsequent social anthropology refers to the fact that groups close to each other tend to quarrel more than distant groups. What is true for animals is true for humans as well, and it is true for nations, states and their politicians. This anthropological insight can explain the harshness of the transatlantic quarrels in 2002/2003 and the outbreak of mutual resentments – not only between Americans and Europeans, but no less among Europeans who were of a different opinion on the issue of how to deal with the regime of Saddam Hussein and how to judge the US. It was a dispute over threat perceptions, conflicting moralities and contrasting strategic choices. At its core, it was a deep, nasty and thus sour and ugly transatlantic family quarrel. Whether or not it was a dispute about European emancipation from the US is debatable. Most importantly, it was a dispute in the absence of an organizing principle that could have served as a framework and means of orientation for the transatlantic political actors as they were clashing over Iraq.

This clash indicated the unfinished character of a three-fold transformation: the bilateral post-Cold War transformation from Atlantic Alliance to transatlantic relations, the transformation of Europe from being an object of the Cold War under US-protection

and support as its federator to a Europe in search of a genuine common foreign policy and pro-active global role, and the recognition by the United States of this Europe's new and increasingly global role. None of these three complex processes had been completed when the Iraq controversy broke out. In fact, the Iraq crisis accentuated the unfinished character of all three transformations. These transformations remain indicative for the new nature of relations between the United States and Europe. The US is no longer Europe's federator and it has to accept that Europe is growing into a global political role. The European Union is incomplete as far as the formulation of common foreign policy strategies and the realization of a common political will is concerned. Yet, while it is continuing to develop such a global profile, it cannot do this successfully with the intention to become a counter-weight or counter-power to the US. In fact, both processes are even more delicate: For a good number of Europeans, the US has turned from a positive federator to a negative federator. For them, the US is no longer the supporter of Europe's integration, but Europe's antidote and antithesis that requires more integration in order to emancipate Europe from America.[7] For a good number of Americans, the European Union is an idiosyncratic, pretentious and overly regulated entity that tries to veto US policies while remaining unable to project itself beyond the role of a regional power with a stuttering, non-dynamic economy. In the absence of a common frame of mind – that is to say, a new common transatlantic project – this differing trend, not surprisingly, did trigger a crisis of perceptions as root of a crisis in cooperation. It has become also a turning point toward new efforts in redefining both the perspective and projection of European integration and the parameters of transatlantic relations for the next decades.

Given their economic and political, strategic and ultimately cultural potential, the United States and the European Union are the key players in the management of global affairs. They are the two leading regions in the world as far as their soft and their hard power is concerned. The projection of their role has a global significance second to none and the expectations of their global role are not matched by any other country or region. This is often more a curse than an asset as it requires consistent attention to the multilateral implications of actions and inactions alike. Not only the United States, but also the European Union – and certainly its main constituent member states – have practiced the selective use of multilateralism.[8] It is simplistic to assume that multilateralism is the weapon of the weak and unilateralism the destiny of the strong, as

7 For example, see Derrida, Jacques, and Jürgen Habermas, "Nach dem Krieg: Die Wiedergeburt Europas," *Frankfurter Allgemeine Zeitung*, May 30, 2003: 33 (as "Europe: plaidoyer pour une politique extérieure commune," *Libération*, June 2, 2003.). The renowned philosophers called for Euro-patriotism as an act of of emancipating Europe from US hegemony and unilateralism.

8 See Pollack, Mark A., "Unilateral America, Multilateral Europe?," in: Peterson, John, and Mark A. Pollack (eds.), *Europe, America, Bush: Transatlantic Relations in the Twenty-first Century*, op.cit.: 115-127; Oudenaren, John van, "E Pluribus Confusio. Living with the EU's Structural Incoherence," *The National Interest*, Fall (2001): 23-37.

Robert Kagan had argued in an overblown essay on the transatlantic dispute of 2003.[9] The use of multilateral options can reinforce a country's strength, assure it and broaden its effect. It can also serve the opposite, namely to organize support for the implementation of interests that cannot be sustained unilaterally. Finally, multilateralism can also reflect the multilateral and multinational character of a problem that does not originate in one specific country or region and cannot be resolved on the basis of voluntary decisions of one or few participants in the global community. Joseph S. Nye has defined international relations as a three-tier chess-game according to which "military power is largely unipolar," that is to say dominated by the US, while on the middle chessboard, where "economic power is multipolar…the United States is not a hegemon and often must bargain as an equal with Europe"; finally, the bottom chessboard is defined by "transnational relations that cross borders outside of government control," a situation in which "power is widely dispersed and it makes no sense to speak of unipolarity, multipolarity, or hegemony."[10] Nye warned the US not to wrongly exaggerate its self-assessment as the "only surviving superpower," to take Europe more seriously, and to understand the changing nature of sovereignty: "The old images of sovereign states balancing and bouncing off each other like billiard balls will blind us to the new complexity of world politics."[11]

In order to understand the complex nexus of continuity and change in the nature and structure of relations between the United States and Europe, it is useful to go beyond the popular discourse about unilateralism versus multilateralism. At least three additional factors of relevance ought to be mentioned:

(a) The United States has served as pacifier and federator of Europe since the end of World War II. In doing so, beginning with the Marshall Plan and the strategic decisions to remain a European power during the rising Cold War, the US has protected the process of reconciliation among old European enemies, supported the construction of the common market and basically encouraged Europeans to learn to speak with one voice in political and security matters. The most recent US support for the reconciliation among Europeans (that is the support of the US for a speedy EU enlargement) clashed with Europe's own timing, goals and procedures: During and after the Wars of Yugoslavian Succession in the 1990's, the EU was not ready yet to act as a security and defense union; the US encouragement for Turkish EU membership was not considered to be helpful for Turkey in the EU; President Bush's support of anchoring the Ukraine and Georgia into the Euro-Atlantic structures was received as un-enthusiastic as the plea of his predecessor, President Clinton, to ultimately even reach out for the EU membership of Russia.

9 Kagan, Robert, *Of Paradise and Power: America and Europe in the New World Order*, New York: Knopf, 2003.

10 Nye, Joseph S., *The Paradox of American Power: Why the World's Only Superpower can't go it Alone*, Oxford/New York: Oxford University Press, 2002: 39.

11 Ibid.: 53.

The genuine American support for the creation of a European common market lost enthusiasm once the European market started to become a competitor to the US. Now, the US insisted on market liberalization. The US even pressed, though in vain, for participation in the creation of a European Economic and Monetary Union. Finally, the US encouragement of one European voice in foreign and security matters has always been based on mixed feelings: The primordial role of NATO as Europe's peace organization and backbone of transatlantic strategic cooperation was not to be blurred. As long as this was predominantly a theoretical debate, the stakes were limited. Once this issue became serious – failing its first serious test in Yugoslavia and turning out to produce vetoing ambitions by France and Germany in the case of Iraq – the American attitude toward European foreign and security policy integration became reserved again.

(b) In the early twenty-first century, Europe's relationship with the United States has become multidimensional. As a consequence of growing European integration, the European Union has become a growing factor in international affairs. Partially, for instance in the area of external trade, direct US-EU relations replaced the role of national European governments and capitals. In other policy areas – mainly in foreign and security matters – diverging national interests among EU member states and political majorities prevented a common European voice. This European deficit encouraged the US to maintain bilateral relations with European countries. The US can hardly be blamed for this attitude in light of Europe's genuine deficit. But, the US did also not avoid exploiting this European diversity whenever it suited its interests. Never was this more strongly felt in Europe than during the Suez crisis in 1956 – which helped to trigger France's acceptance of integration measures with Germany – and during the Iraq crisis of 2002/2003 – which saw the failure of French and German vetoing ambitions, both in bringing the European caucus together and in succeeding to stop the US from taking military action.

(c) During the Cold War, the relationship between the US and Europe was asymmetric in terms of power equations but it was based on a joint organizing idea, the idea of freedom and the protection of the West. With the evolving multidimensional character of the relationship, the organizing idea shifted more to the economy. In the economic sphere, however, the idea of commonality clashed with legitimate and inevitable forms of competition, with trade disputes and economic rivalry. Since the end of the Cold War, the situation was aggravated in spite of the parallel enlargements of NATO and the EU and in spite of the continuous adaptation of strategies and instruments to meet "out of area" conflicts. Global terrorism and the future of democracy in the Broader Middle East did not help to immediately produce a new and joint organizing idea for the Atlantic community. Quite the opposite, it immediately triggered contrasting threat perceptions, mutual suspicion and transatlantic dissent. Gradually, the awareness was unavoidable on both sides of the Atlantic that stability (and hopefully democratic rule of law) in Afghanistan and in Iraq would require the

multilateral commitments of all Atlantic partners for many years to come. It became even more evident that the only way to successfully deal with the threat of an Iranian nuclear program could only be based on a common approach. This was likewise true with regard to a long overdue solution to the Middle East conflict. But a new organizing principle guiding the transatlantic partners in the post-9/11 age of globalization has yet to be identified. As part of this process, the European Union needs to fully grow into its new role as a global partner of the US. In doing so, the EU will have to recognize America's primacy in the exercise of hard power, but the US would have to recognize the European Union as a political weight in its own right, with soft and hard power capabilities. Some American analysts were faster than others to do so.[12] Following the reelection of President George W. Bush in 2004, both his administration and European leaders tried to rebuild confidence and common ground in transatlantic relations. Several visits of President Bush to Europe could not turn the widely spread public resentment of his administration around in much of the EU. One advantage of the Bush years in transatlantic relations became increasingly evident: At its core were different political choices and policy controversies. Controversies inside the transatlantic domestic sphere and not abstract and principled geopolitical divergence were at the core of the debates and controversies for most of the Bush years.

This important realization underlines the quintessential change from Atlantic Alliance to transatlantic relations. While NATO as the embodiment of the Atlantic security alliance prevails and increasingly plays an "out of area" role, the broad spectrum of transatlantic relations will be a mix of cohesion and cooperation, complementary actions and outright competition, if not blunt dissent. Transatlantic relations by definition will be political and therefore regularly controversial. The array of transatlantic attitudes and performances will not be a return to big power rivalry similar to that of the nineteenth century. It will rather grow into a new stage of transatlantic relations, in which the intensive links between governments, business and civil society will impact a new form of transatlantic domestic policy sphere. This has become already evident, inter alia, in debates about each other's education system, health conditions for food security, necessary reforms to enhance economic competitiveness, the disputes about climate change and the controversies over the right strategy in taming global warming. During the current period of recalibration, an excessive positioning of either side will most likely continue. Its resolution will not simply depend upon the personality of the incumbent President in the White House or the political majorities in leading European democracies. No matter how controversial it may get, the disputes of past years have amply shown that neither side could sign a

12 See Jabko, Nicolas, and Craig Parsons (eds*.), The State of the European Union - With US or Against US?: European Trends in American Perspective*, Oxford: Oxford University Press, 2005; Schnabel, Rockwell, *The Next Superpower: The Rise of Europe and its Challenge to the US*, Lanham: Rowman & Littlefield, 2005.

Declaration of Emancipation or an Act of Divorce. Interdependency will prevail as the stronger instinct and rational calculation in transatlantic relations.

Eventually, this insight into transatlantic interdependency may reactivate one of the original ideas of Jean Monnet, dating back to 1948, of linking European integration with some form of treaty-based Atlantic confederation. At that time, Monnet already proposed a "Federation of the West," encompassing the US and Western Europe, along with Great Britain and the British Dominions.[13] Whether or not the *acquis atlantique* that has evolved over several decades can constitute the basis for a broader treaty-based relationship between the United States and the European Union is still unclear six decades later. A treaty-based US-EU relationship could be the logical consequence of the evolution of this relationship. It is not only special and strategic but it also echoes a genuine Atlantic civilization with a colorful yet ambivalent nexus of fascination and distance. "Ever since this part of European mankind ceased to be a colony, framed its constitution, and declared itself an independent republic," the philosopher Hannah Arendt explained this ambivalence to her American readers, "America has been both the dream and the nightmare of Europe."[14] Finding a stable balance among the US and the EU will remain the most important task for the Atlantic partners in the twenty-first century as reality is forcing them into a common global agenda. It must be based on a mutual recognition of common habits and different attitudes, shared values and their different application at times.[15] The institutional structure of their relationship has matured over time. But a constitutional underpinning is still absent. As younger generations grow into the Atlantic civilization, they are encountering its sometimes paradoxical links with globalization. Atlantic leaders will have to give profound answers that are not only contingent on a momentous crisis or an obvious success of "the Western world." At some point, they will have to come back to Jean Monnet's proposal to constitutionalize the Atlantic community. Ultimately, this will be necessary not only to manage global affairs, but also to legitimize their actions before their own publics and link them with the interests and concerns of other participants in the global community.

13 See Duchêne, François, *Jean Monnet: The First Statesman of Interdependence*, New York/London: W.W. Norton & Co., 1994:187; Schwabe, Klaus, "Jean Monnet, die Vereinigten Staaten und die Rolle Europas," in: Wilkens, Andreas (ed.), *Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland*, Bonn: Bouvier, 1999: 232.

14 Arendt, Hannah, *Essays in Understanding, 1930-1945*, New York: Harcourt Brace & Company, 1994: 410.

15 See for a brilliant analysis Bark, Dennis L., *Americans and European Dancing in the Dark: On Our Differences and Affinities, Our Interests, and Our Habits of Life*, Stanford: Hoover Institution Press, 2007.

(1) The Formative Years

Jean Monnet's original proposal was part of the long debate that finally led to President Kennedy's concept of a Grand Design, outlined in his speech of July 4, 1962, in Philadelphia. It was no coincidence that the President expressed his vision of a transatlantic partnership on US Independence Day at Philadelphia's Independence Hall. Like the American founding fathers, he said, Europe has begun "to find freedom in diversity and in unity, strength." Kennedy made clear that the US was on the side of this fascinating European project "with hope and admiration. We do not regard a strong and united Europe as a rival but as a partner…We believe that a united Europe will be capable of playing a greater role in the common defense, of responding more generously to the needs of poorer nations, of joining with the United States and others in lowering trade barriers, resolving problems of commerce, commodities, and currency, and developing coordinated policies in all economic, political, and diplomatic areas."[16] In order to achieve these joint goals, Kennedy called for a Declaration of Interdependence between the US and the emerging European Economic Community. The importance Kennedy attached to the implementation of his was evident: Kennedy's Grand Design was basically a proposal for an Atlantic Community with the US and a European Economic Community that should include Great Britain as its two poles. The economic pillar of the Kennedy administration, the Trade Expansion Act presented by President Kennedy to Congress on January 25, 1962, was meant to enhance American export to Europe based on the reduction of European custom tariffs. Monnet supported the idea of an Atlantic Community. He had described it as necessary and urgent in a letter of April 7, 1961, to EEC Commission President Walter Hallstein. Common problems required common solutions, he argued. An Atlantic Community could however not be built as long as Europe was divided and compartmentalized. Since Germany and France had begun with comprehensive European integration that could be considered from the perspective of finally aiming to become a second United States, time had come to also begin with the creation of partnership between the US and the European Economic Community.[17] The first EU Commission President Walter Hallstein was more hesitant than Monnet to embrace this idea. While Monnet pursued his idea to institutionally bind

16 Kennedy, John F., *Address at Independence Hall, Philadelphia*, July 4, 1962, http://www.jfklibrary.org/Historical+Resources/Archives/Reference+Desk/Speeches/JFK/003POF03IndependenceHall07041962.htm.

17 See Hackett, Clifford P. (ed.) *Monnet and the Americans: The Father of a United Europe and his U.S. Supporters*, Washington: Jean Monnet Council, 1995; Winand, Pascaline, *Eisenhower, Kennedy, and the United States of Europe*, Houndmills: Basingstoke, 1997 (2nd ed.); Schönwald, Matthias, "'The same – should I say – antenna'. Gemeinsamkeiten und Unterschiede im europapolitischen Denken von Jean Monnet und Walter Hallstein (1958-1963)," in: Wilkens, Andreas (ed.), *Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland*, Bonn: Bouvier, 1999: 289-297.

the US and the EEC, Hallstein rejected a quasi-federal transatlantic construction. He could not anticipate the age of e-mail as binding glue stronger than most political rhetoric. To this day, a Declaration of Interdependence or an outright Transatlantic Treaty is still missing.[18]

The idea of an Atlantic community is surprisingly young. The Rhodes scholar, journalist and member of the US Delegation at the Paris Peace Talks in 1919, Clarence K. Streit, has received credit for having been one of its first active supporters. Following his 1940 book "Union Now," he promoted solidarity with Western European countries under Nazi German occupation and founded a movement under the same name. But he did not explicitly link the idea of an Atlantic community to that of European unity. The Atlantic Charter of 1942 documents the will of the United States and Great Britain to join forces in their struggle to defeat Hitler's totalitarian regime. Also the Atlantic Charter did not make reference to the prospect of European unity. The War Conferences in Teheran, Yalta and Potsdam did not mention the issue of European unity and integration either.[19]

Jean Monnet's conceptual considerations on the future of the Euro-Atlantic world were largely developed during World War II. Although he was in London at the time of French military defeat, he did not join General de Gaulle's Free France Movement, but went on to work on allied economic policies attached to the British Embassy in Washington. In 1943, he met de Gaulle again in Algiers, joined his movement, and in 1946 became head of French national economic planning ("Commissariat Général du Plan"), shortly before de Gaulle resigned from his post as French President. As Desmond Dinan writes, Monnet believed "that capitalism could best be served by judicious government direction of key economic activities."[20] Eventually, the rationale for the Marshall Plan did not really differ from Monnet's concept for European integration. Monnet was an exceptional bridge-builder between the idea of Atlantic solidarity and European unity. Not only for a Frenchman, but by all standards of his time, his attitude was a rare combination of ideas. Monnet wanted to engage the American government in the struggle to defeat Hitler's totalitarian regime. With his American friends he shared the understanding that post-War Europe had to integrate defeated Germany. He did not want Europe to be an American satellite nor did he assume this would always be the American policy toward Europe. When the Marshall

18 See Kühnhardt, Ludger, and Hans-Gert Pöttering, "EU-US: Plädoyer für einen Atlantischen Vertrag," *Integration*, 26.3 (2003): 244-250.

19 For other conceptual planning of the post-War future see Hearden, Patrick J., *Architects of Globalism: Building a New World Order During World War II*, Fayetteville: University of Arkansas Press, 2002.

20 Dinan, Desmond, *Europe Recast: A History of European Union*, Boulder: Lynne Rieffer Publishing, 2004: 31.

Plan was announced, Monnet was delighted. This was the right beginning of Europe's reconstruction that would ultimately turn it into a viable partner for the US.[21]

The years 1947 to 1949 were crucial for the new design of America's policies toward Europe. First the Truman Doctrine and the Marshall Plan, then the realization that France should take the lead to start European integration by engaging defeated West Germany that was turned from three occupied zones into one new democratic state: These were the corner-stones of US European policy under President Harry S. Truman and his Secretaries of State George C. Marshall and Dean Acheson. These policies were to be continued under the specter of a much more dangerous and noticeable Cold War by the administration of President Dwight D. Eisenhower and his Secretary of State John Foster Dulles. But no other President so explicitly defined the Atlantic Alliance as a framework to link US-European partnership with the welcomed integration of Europe as John F. Kennedy. In the end, all post-war administrations pursued their policies out of enlightened American self-interest.

The most relevant change in US policies toward Europe came as a reaction to the emergence of the Cold War. During the War Conferences, neither the US nor the USSR brought up the issue of a regional order in Europe. President Franklin D. Roosevelt was looking for American-Soviet cooperation beyond the immediate cessation of warfare. Stalin was planning to extend Soviet control over as much of Eastern Europe as possible. With the exception of communists, the European exile movements were discussing European integration favorably. But they remained dependant upon the will of the victorious powers.

Churchill's speeches in Fulton on March 5, 1946 ("an Iron Curtain"), and in Zurich on September 19, 1946 ("the United States of Europe"), had a strong impact, although he was no longer British Prime Minister. The winter of 1946/1947 saw a gradual turn-around of the US position from the concept of global cooperation with the Soviet Union to the doctrine of "containment." In March 1947, President Truman outlined what was to become known as the Truman Doctrine by expressing support for stabilizing Greece and Turkey against communist infiltration. At the initiative of Senator J. William Fulbright, the US Congress passed a resolution in the same month demanding the creation of a United States of Europe under the umbrella of the UN (which had been founded in 1945). President Harry S. Truman, Secretary of State George C. Marshall and his Deputy Dean Acheson thought along the same lines. The gradual emergence of the Marshall Plan – announced at the Harvard Commencement on June 5, 1947 – became the most visible expression of this policy change – and its implementation

21 See Monnet, Jean, *Memoires*, Paris: Fayard, 1976: 313-320; Duchêne, Francois, *Jean Monnet: The First Statesman of Interdependence*, New York/London: W. W. Norton & Co., 1994:166-175; Roussel, Eric, *Jean Monnet, 1888-1979*, Paris: Fayard, 1996; Schwabe, Klaus, "Jean Monnet, die Vereinigten Staaten und die Rolle Europas in der Atlantischen Völkergemeinschaft," in: Wilkens, Andreas (ed.), *Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland*, op.cit.: 225-252.

under the official title of European Recovery Program the most famous legacy of America's commitment to Europe and its readiness to stay a European power.[22] In the end, under the Marshall Plan 5 percent of US GDP was transferred to Europe – "an unimaginable act today."[23] Economically speaking, recipient governments were able to raise funds in local currency by selling goods supplied through the Marshall Plan. Thus, American aid helped the European economies to generate their own capital, "certainly without returning to the deflationary competition of the 1930's."[24] With the help of the Marshall Plan, the US was serving the interests of its export industry, the containment of Soviet expansion, and the struggle over the "mind of Europe"[25] as it was reconstructing itself as part of the "free world". For the US, this meant that it had become "locked into an enduring European involvement, within which it had a decisive influence upon West European moves toward closer collaboration and integration."[26] Whether or not the Marshall Plan "saved" Western Europe, even critical voices admit that "it certainly helped Europeans chart out a path to a new era of peace and prosperity."[27] And while they did so, the US stayed a European power in all aspects, except for membership in the European Economic Communities.

Most important was the multilateral approach of the Marshall Plan, as it was not directed at individual countries but to Europe as a whole. While the Soviet Union's Foreign Minister soon withdrew his presence "after failing to convince the others to reject the US insistence on a joint European request for assistance,"[28] the Soviet Union had prohibited her newly emerging satellites in Central and Eastern Europe from taking part in the first Marshall Plan conference. This conference was ultimately attended by 16 European countries between July 12 and September 22, 1947, in Paris. The meeting concluded with the estimate of a need of 22 billion US dollars over a period of four years for the near term recovery of Western Europe, the three Western zones of Germany included. The need for US support was estimated at 19 billion US dollars; in the end, US aid amounted to almost 13 billion US dollars. The US had insisted that the Europeans would define their need alone, which forced them to coordinate their policies

22 See Melandri, Pierre, *Les Etats-Unis face à l'unification de l'Europe, 1945-1954*, Paris: Pédone et Publications de Sorbonne, 1980; Isaacson, Walter, and Evan Thomas, *The Wise Man: Six Friends and the World They Made*, New York: Simon and Schuster, 1986; Neuss, Beate, *Geburtshelfer Europas? Die Rolle der Vereinigten Staaten im europäischen Integrationsprozess 1945-1958*, Baden-Baden: Nomos, 2000.

23 Peterson, John, and Mark A. Pollack, "Introduction," in: Peterson, John, and Mark A. Pollack (eds.), *Europe, America, Bush: Transatlantic Relations in the Twenty-First Century*, op.cit.: 3.

24 Dinan, Desmond, *Europe Recast: A History of European Union*, op.cit.:21; see also Maier, Charles S. (ed.), *The Cold War in Europe: Era of a Divided Continent*, Princeton: Markus Wiener, 1996 (3rd ed.).

25 See the interesting booklet edited by Galantière, Lewis, *America and the Mind of Europe*, London: H. Hamilton, 1951.

26 Urwin, Derek W., *The Community of Europe: A History of European Integration Since 1945*, London/New York: Longman, 1995: 13.

27 Hitchcock, William I., *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945 to the Present*, New York: Anchor Book, 2004: 141.

28 Dinan, Desmond, *Europe Recast: A History of European Union*, op.cit.: 21.

and plans for recovery. Industrial war damage, lack of infrastructure and machinery, destruction of agriculture and cities and the enormous human loss during the war defined the starting point for all Europeans. Prognosis was difficult, but not only pessimists assumed that it would take 20 to 25 years for Europe to recover from the war damage and its aftermath. Hardly anybody was expecting the recovery to be "sustained as a long boom through the 1950's and 1960's"[29] as it was to eventually happen. Between 1948 and 1950, the annual sale of washing machines grew from 94,000 to 311,000 in Great Britain and from 20,000 to 100,000 in France. By 1950, foreign trade in Western Europe was already 20 percent higher than prior to the war "and production was rising every year."[30]

The creation of the Paris-based Organization for European Economic Cooperation (OEEC) on April 16, 1948, gave the American support for Europe a multilateral roof. The OEEC was not only mandated to distribute American aid, it was also supposed to develop economic cooperation among Europeans, reduce mutually limiting trade barriers, prepare a multilateral payment system, stabilize European currencies and prepare customs unions or free trade areas. In spite of its relevance, the OEEC did not turn from being a loose intergovernmental structure into one of more integrated cooperation with autonomous competences. As a consequence of American worries after the split in Europe had taken place with the formation of the European Economic Communities in 1957, the OEEC was changed into the Organization for Economic Cooperation and Development (OECD) with the United States and Canada becoming full members in 1960.

This enlargement and readjustment of the OEEC was strongly supported by none other than Jean Monet: While the US had been confronted with payment deficits in their trade with Europe since 1959 and demanded an early reduction of European customs tariffs, Monnet seized the opportunity to again link Atlantic relations to European integration. During a visit to Washington in March 1959 (at the occasion of the funeral of Secretary of State John Foster Dulles) he proposed to American government officials OEEC enlargement through US and Canadian membership. This would alleviate transatlantic trade disputes, link Great Britain (an OEEC member) to the trade policies of the EEC and strengthen the reputation of the EEC as part of a solidified Atlantic relationship. The transformation from OEEC to OECD came as a success for Monnet in style, albeit not in substance, as the OECD continued as a purely intergovernmental transatlantic trade organization (and later grew into a global forum of industrialized countries).[31]

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29 Dedman, Martin J., *The Origins and Development of the European Union, 1945-95*, London/New York: Routledge, 1996: 34.

30 Ibid.

31 See Schwabe, Klaus, "Jean Monnet, die Vereinigten Staaten und die Rolle Europas in der Atlantischen Völkergemeinschaft," in: Wilkens, Andreas (ed.), *Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland*, op.cit.: 243-244.

The OEEC did not remain the only new institution geared toward the transformation of Europe as part of the evolution of a transatlantic community. Following the US-led founding of the new global financial system at Bretton Woods in 1944 – with the creation of the International Monetary Fund and a monetary system based upon fixed exchange rates, backed by both the US dollar and pound sterling as reserve currencies – twenty-three states signed the General Agreement on Trade and Tariffs (GATT) in October 1947, in Geneva. It immediately began to negotiate over one hundred bilateral treaties affecting half of the world's economy.

(2) The Strategic Imperative

The United States served also as midwife for European cooperation in the field of security. European cooperation was to be a precondition for American participation, State Secretary Marshall adamantly declared. In January 1948, British Foreign Secretary Bevin proposed the creation of a Western Union, using the French-British Security Treaty of Dunkirk (March 4, 1947) as its basis. Belgium, the Netherlands, and Luxembourg, possibly followed by other countries, were to get together. In the wake of the communist coup d'état in Czechoslovakia in February 1948, it took only days to sign the multilateral alliance treaty on March 17, 1948, in Brussels. The Brussels Pact – renamed Western European Union in 1954 and after 1999 gradually incorporated into the European Union – was meant to be valid for 50 years. The pact was driven by fear of Soviet expansionism and uncertainty about a revival of aggressive potential in Germany. Before the Brussels Pact was properly installed, it had become already obsolete: On April 4, 1949, twelve countries signed the Treaty of Washington, establishing the North Atlantic Treaty Organization (NATO). Brussels-based NATO was to become the centerpiece of transatlantic relations and the embodiment of the Atlantic Alliance.

In taking the lead to secure Europe's freedom, the US indirectly and substantially encouraged the process of a focused and rational economic integration as it evolved during the 1950's. The period from autumn 1948 to autumn 1949 was a "turning point" with the Berlin airlift, the creation of NATO and US military commitment to European security and the establishment of two German states. But more than anything else, the outbreak of the Korean War on June 25, 1950 – with more than two million people dead – rapidly accelerated the establishment of integrated transatlantic military structures. Instead of diverting American attention from Europe to Northeast Asia, as Stalin had hoped in his calculation of the North Korean attack, it provoked the opposite. Stalin failed to undermine Truman's resolve. In April 1951, General Eisenhower became the first Supreme Allied Commander in Europe (SACEUR). Western Europe had become part of the Atlantic security strategy of the US. Under this umbrella of protection, in the same month of April 1951 European integration began with the signing of the Treaty of

the European Coal and Steel Community. By then, the US had recalibrated its European policy and encouraged France to take the lead in the internal restructuring of Europe instead of Great Britain that remained highly ambivalent about its future role in Europe.[32]

America's priority was security. Out of its 175 divisions, the Soviet Union had 22 divisions stationed in Central and Eastern Europe, compared with two each for the US and Great Britain in West Germany out of a total of 14 NATO divisions. The American nuclear umbrella over Western Europe was a credible deterrent until 1955 when the Soviet Union had developed its own delivery system for atomic weapons with long-range Tupolev bombers. West German rearmament was becoming one of the most important issues for the US in its European policy. The East Germans already had 60,000 "people's police," paramilitaries under weapons and organized in "alert units." Jean Monnet was trying to convince his American interlocutors that, as he was to write in his memoirs, the first new German soldier ought to be a European soldier.[33] After French Foreign Minister Robert Schuman was confronted with the American intention to prepare new German divisions to bolster Western defense – at the Foreign Ministers meeting of September 12, 1950 – Monnet started to apply his economic theory to the sphere of security. His goal was a European army within which German soldiers should find their place. During a discussion with General Eisenhower on June 21, 1951, it is believed that Monnet was able to convince the SACEUR that a European army would be the only way to generate legitimacy for German remilitarization in Europe.[34]

The failed European Defense Community convinced the Americans that in this crucial field French leadership would not serve either European or their own interests. NATO would become indispensable in the absence of a European integration in foreign policy and defense matters. Yet this American strategic and military primacy also contributed to wiping out remaining doubts among French leaders about the rationale for economic integration at the side of its long-time enemy Germany. In conjunction with the failed European Defense Community, the Suez crisis forced France to re-evaluate the European constellation. Even more pressing was the parallel evolution of the events at Suez and the revived Soviet threat that became visible through its brutal crashing of the Hungarian uprising. The Hungarian uprising had begun on October 21, 1956. On October 25, 1956, Russian tanks rolled through the streets of Budapest. On

32 See Schwabe, Klaus, "The United States and European Integration, 1947-1957," in: Wurm, Clemens (ed.), *Western Europe and Germany. The Beginnings of European Integration, 1945-1960*, Oxford/New York: Berg, 1995: 115-135.

33 Monnet, Jean, *Memoires*, op.cit.: 422.

34 See Wilkens, Andreas, "Jean Monnet, Konrad Adenauer und die deutsche Europapolitik," in Wilkens, Andreas (ed.), *Interessen verbinden: Jean Monnet und die europäische Integration der Bundesrepublik Deutschland*, op.cit: 97. Wilkens cites a related conversation between German Chancellor Konrad Adenauer and the US High Commissioner to Germany, John McCloy, on July 5, 1951, when McCloy declared that Germany's defense contribution ought to take place in the context of a European army, not directly under NATO command (97-98).

the same day, the Suez crisis broke out.At its end, France had to realize that it had only one option left if it was to remain the dominant power in Europe: To speedily build economic integration with the Germans while keeping the British "out of Europe."

The Suez crisis was more than the symbolic transfer of global power from the old European colonial empires France and Great Britain to the new world power United States. It was a true "humiliation"[35] of France and Great Britain by their war ally, the US. France had decided to begin with its own military nuclear program in 1956. In spite of defeat in Indochina in 1954 and the outbreak of anti-colonial war in Algeria in the same year, France's world power status, in its own eyes, ought not to be questioned. If on August 30, 1954, the French National Assembly would have voted in favor of the European Defense Community, the world might have seen a common European army two years later, consisting of 40 divisions, among them 12 German ones as outlined in the treaty. But as the National Assembly did not ratify the EDC Treaty of May 27, 1952, France's global role – not unlike that of Great Britain – shrank further. Whether France and Great Britain liked it or not, in matters of strategy and security the United States had replaced all of its European allies as the dominant power. If they were to return Europe to a global role, it would have to be through long-term, steady and convincing means of solid European integration.

The Suez crisis was more than a power quarrel over Egyptian nationalism. It was an unprecedented power confrontation among the Western allies that would find no repetition until the Iraq crisis of 2002/2003. While the Suez conflict demonstrated America's preeminence in the Middle East in political terms, the Iraq crisis confirmed this preeminence in military terms, but left many doubts as far as the political implications were concerned. In both cases, however, conflicting positions between the US and some of its European partners were resolved with "success" for the US: European countries could not stop the US's choice for unilateral action. But both crises also served as a "negative federator" for European integration: In the end, they brought the European caucus closer together, recognizing that this alone would be in the interest of Europe and strengthen its global position while the anti-hegemonic skepticism against the US was affirmed among all those Europeans who were and who are particularly sensitive to this issue.

The Suez crisis had escalated after Egypt's President Gamal Abdel Nasser nationalized the Suez Canal.[36] The canal, built in the 1860's, was the main artery for cheap and speedy transport of Middle East oil to Europe. Some 70 percent of Europe's oil imports passed through the Suez Canal. The British government held 44 percent of the stakes in the Suez Canal Company at the time. Beyond its economic importance, the canal was also part of a chain of outposts projecting British global influence and power.

35 Hitchcock, William I., *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945 to the Present*, op.cit.: 177.

36 For the following account see Hitchcock, William I., *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945 to the Present*, op.cit.: 177-183.

Great Britain was furious about Nasser's decision. The United States called all parties to reason and proposed a series of conferences to resolve the issues at stake, including the creation of some sort of international monitor. These meetings did not succeed and by mid-October 1956, British Prime Minister Anthony Eden was determined to invade Egypt.

Nasser supported the anti-French rebels in Algeria by sending arms and training their cadres. This scandalous behavior brought the French and the British together on the Suez Canal. During a meeting at the Prime Minister's country house at Chequers on October 14, 1956, the leaders of France and Great Britain agreed on a rather crazy, if not outright stupid plan. They arranged for the Israeli government of David Ben Gurion to attack Egypt on the evening of October 29, 1956. The next morning, France and Great Britain would call on Egypt and Israel to stop fighting and withdraw their troops from the Suez Canal zone. Assuming that Egypt would reject this proposal, British and French troops would have an excuse to attack Egypt on October 31, 1956. Thus it began.

But on November 2, 1956, the United Nations called for an immediate cease-fire. With both the US and the Soviet Union in favor of this declaration, France, Great Britain and Israel were totally isolated. Yet, on November 5, French and British paratroopers landed in Port Said, followed next morning by a large naval contingent. Expecting an oil embargo from the Arabs, currency traders had started to exchange pounds sterling for dollars. Since the summer of 1956, British currency reserves had fallen immensely, dropping by 57 million US dollars in September, by 84 million US dollars in October and by 85 million US dollars in the first week of November. President Eisenhower refused to intervene in favor of stabilizing the British pound until the Suez invasion was stopped. On November 6, 1956, British Prime Minister Anthony Eden and his French partner in crime, Guy Mollet, tried to save face by agreeing to a cease-fire. Eisenhower wanted the complete withdrawal of all British and French troops from the Suez Canal and their replacement by UN troops. On December 3, 1956, Britain declared victory and the withdrawal of its troops. Within a week, the International Monetary Fund approved a 561 million US dollar loan for Great Britain. While Great Britain recognized US leadership, the French government drew an opposite conclusion from the Suez crisis: More than ever it was suspicious of the Anglo-Saxons and prioritized European integration without them and, instead, and in spite of all historic feeling, together with the Germans. On March 25, 1957, the Treaties of Rome, constituting the European Economic Community and the European Atomic Energy Community, were signed.

(3) The Economic Calculus

Paradoxically, the US was stabilizing Europe's security through its economic commitment and it was encouraging European economic integration when it dominated Europe's security. After the first experiences in balancing European integration and Atlantic relations, the next phase throughout the 1960's and into the 1970's was defined by strong strategic links and growing economic competition. Since the construction of the Berlin Wall on August 13, 1961, "the Western world" had a defining, formative idea regarding its mission: Freedom first.[37] However, when President John F. Kennedy spoke on US Independence Day 1962 about the need for a solid transatlantic partnership, he did not only echo the common ground defined by shared values in the struggle against communism. He also underlined America's primacy in matters of European security after the EEC partners had failed to achieve political union as outlined by two subsequent Fouchet Plans. He also stressed the need for a true partnership with the intention to reduce European customs tariffs for America's export industry.

The West European economy experienced impressive growth rates during the early years of integration. The difference between the EEC member states and Great Britain, which had opted to stay out, were startling: The EEC's productivity increased by 19 percent between 1957 and 1961, the productivity of the US by 13 percent and of Great Britain by 12 percent. The GDP of the EEC member states increased by 27 percent between 1957 and 1961, compared with 18 percent in the US and 14 percent in Great Britain. The enormous increase in the EEC's industrial output (by over 90 percent between 1950 and 1960 compared with 39 percent in the US and 29 percent in Great Britain) might have been also the logical consequence of post-war reconstruction, and not of integration alone.[38] In any case, it was real, and was backed by the beginning of integration mechanisms. While the EEC was speedily reducing customs duties among its member states – in 1963 by 60 percent compared with the level of 1957 – the US were hoping for a stronger reduction of customs tariffs in transatlantic trade in order to better benefit from the booming European economies.

In parallel to Kennedy's Philadelphia speech, the first "trade war" between the US and the EEC broke out over chicken imports from the US. In the past, these chicken imports had been confronted with, for example, 4.5 cents per pound of German import tariff. Under the unified Common Agricultural Policy they were to pay an EEC tariff of 13.5 cents per pound. After mediation under a GATT panel, the EEC accepted that its policies were discriminatory, while the US accepted compensation payments. This was

37 See Hitchcock, William I., *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945 to the Present*, op.cit.: 213-220. The Berlin Wall also constituted and symbolized the special emotional relationship between the US and West Germany that was to last beyond German unification in 1990 and was only seriously shattered during the Iraq crisis in 2002/2003.

38 For figures and interpretation, see Dedman, Martin J., *The Origins and Development of the European Union, 1945-95*, op.cit: 112.

the beginning of a series of never-ending "trade wars," becoming a constant factor in an otherwise solid trade relationship. A long-term legacy of President Kennedy's Grand Design was the Kennedy Round of GATT negotiations lasting until 1967. It ended with success, all fifty-three members of GATT agreeing to reduce tariffs over a five-year period by an average of almost 40 percent. However, frictions between the US and the EEC became permanent, not only in agricultural products, but also in industrial products. Yet, a remarkable trade expansion prevailed. In the early 1960's, the EEC was already receiving 30 percent of all US exports.

Only a few days before Kennedy's Philadelphia speech, Jean Monnet and his Action Committee for the United States of Europe had called for an overhaul of relations between the US and the EEC intended to gradually bring about partnership. In Kennedy's administration some of Jean Monnet's oldest American friends were in influential positions, most prominent among them Undersecretary of State for Economic Affairs, George Ball. He and others drafted the outline of Kennedy's Grand Design, intended to frame a solid European-American partnership among equals. No matter what else can be said about the Grand Design, its intention to bring Great Britain into the European integration scheme failed when French President de Gaulle vetoed the idea of membership negotiations in January 1963.

This was not the only headache General de Gaulle was causing for the Americans. In his analysis, the Cuban missile crisis had proven that the US "would take its own decisions irrespective of Western Europe's position and views".[39] Therefore, de Gaulle opposed President Kennedy's concept of Atlantic partnership. His alternative concept for a political union in Europe failed however. Much to the frustration of the General, he could not prevent the Germans from limiting his ambition for unification with them if it would have come about at the expense of transatlantic bonds. The issue of establishing Europe as a counter-weight to the US was not invented during the Iraq crisis of 2002/2003. But unlike then, in the 1960's Germany did not opt for Paris or Washington, but stayed the course as good partner and ally of both. When the Elysée Treaty of January 22, 1963, consolidating Franco-German reconciliation and rapprochement, was ratified by the German Parliament on May 16, 1963, the United States was pleased about the resolution passed by the German parliament and attached to the treaty, affirming Germany's commitments to NATO: "It emasculated de Gaulle."[40]

As if to compensate for the frustration with transatlantic relations, France initiated the EEC's comprehensive policy for Africa, that is to say toward former colonies of France and toward other French overseas territories. The Yaoundé Convention, signed in July 1963 by the EEC and seventeen African countries and Madagascar, created a

39 Urwin, Derek W., *The Community of Europe: A History of European Integration Since 1945*, op.cit.: 124.

40 Dinan, Desmond, *Europe Recast: A History of European Union*, op.cit.: 103.

free trade association in agreement with the original provisions of the Treaties of Rome. With the help of a development fund, the EEC started to support its African partners and considered this task no longer purely the obligation of the former colonial empires. Over time, the Yaoundé Convention was replaced by four subsequent Lomé Conventions and – since 2000 – by the Cotonou Agreement, defining the EU's relations with 79 countries in Africa, the Caribbean and the Pacific region. It took the EU four decades to transform its relations with most former European colonies from big power attitude and colonial dependency to partnership. And it took the US four decades to realize that the promotion of regional cooperation in Third World regions is a genuine strategic approach of the EU in support of a multipolar world and not just another peripheral aspect of world politics or a European escape from failed dominance in transatlantic relations. Through five decades of the existence of a European integration scheme, Europeans and the US have continuously struggled to find the right balance of transatlantic relations torn between ideals of partnership and realities of big power competition, notwithstanding their permanently invoked prime role for global management in the twenty-first century.

Over time, it seemed as if the US was more successful in negotiating with a strong European Community than trying to influence its political path. This experience was to repeat itself during the 1990's, when the US and the EU were entertaining a solid relationship as far as mutual trade negotiations based on a recognized partnership were concerned. But whenever, for example, the US promoted Turkish EU membership for strategic reasons, this proposition faced strong counter-reactions as if some Europeans felt offended to engage in a strategic discourse with their American partners, whom they in turn liked to "educate" on environmental issues, the death penalty and the like. Kennedy's Grand Design of a partnership of equals was still charged with emotional sensitivities and lacking a solid and self-assured relationship. Kennedy had been right in his Philadelphia Speech of July 4, 1962, when he called upon the Atlantic partnership not to look inward only, "preoccupied with its own welfare and advancement. It must look outward to cooperate with all nations in meeting their common concern." He was brave enough to conclude by saying that ultimately the Atlantic partnership "would serve as a nucleus for the eventual union of all free men."

(4) Reordering Europe

The final stages of the Cold War and the peaceful revolutions of 1989/1990 leading to European and German unification were a masterful process of Atlantic strength and rivalry. In the end, not only was Germany unified and Europe transformed, but also

41 Kennedy, John F., *Address at Independence Hall, Philadelphia*, July 4, 1962, op.cit.

Europe was unified and the Atlantic Alliance transformed.[42] The leadership role of the US came under increasing pressure in political terms, although US military protection was gratefully accepted, helping Europeans to spend less on defense. In the meantime, the economic relationship of the Atlantic partners had reached the level of equals. Certainly, they were struggling for interests and competing for market shares while recognizing a solid set of rules and norms worth the community of values often recited as a guiding rod of transatlantic relations. Beginning with the "Year of Europe," announced by Secretary of State Henry Kissinger for 1973, US-EC relations began to be somewhat clouded by identity quarrels. Their foundation however was strong enough to sustain these quarrels. The success of NATO was exceptional. Yet America's Western European partners were "deeply suspicious"[43] about Kissinger's proposal for a new Atlantic Charter. Many feared an American demand to increase their contribution to NATO with the US maintaining its leadership role. Others were skeptical about the intention of the US on principle. They were afraid that renewed claims of US leadership in transatlantic relations would undermine, if not derail the European integration process. As this process found itself in a deep stage of inertia, the pressure from the US could only serve as a wake up call for another relaunching of the European integration impetus.

Announcing a "Year of Europe" without prior consultations with the European allies was indeed not very helpful to make the idea truly flourish.[44] Kissinger's classification of the US as a power with global interests and the EC as a regional actor was annoying. The imminent EC membership of Great Britain strengthened the European market. The best outcome of the subsequent diplomatic row was economic, the beginning of the Tokyo Round of global trade negotiations in September 1973. Its results materialized in 1979 with further reductions of tariffs on industrial goods by one third between 1980 and 1987. Except for some special arrangements, the US and Japan had to accept the EC's agricultural policies. To this day, the EU's Common Agricultural Policy has remained the quintessential stereotypical misgiving about European discriminatory policies.

1973 was a bad year for Europe altogether. The immediate effect for Europe of the Yom Kippur War in October 1973 between Israel on the one hand, Egypt and Syria on the other hand, was a sharp increase in the price for crude oil: The price rose from 3 US dollars a barrel in October 1973 to 11 US dollars a barrel in January 1974. By 1980, the crude oil price had increased to 30 US dollars per barrel. The oil price shock had a lasting impact on the European economy. Annual growth rate in the European

42 See Zelikow, Philip D., and Condoleezza Rice, *Germany Unified and Europe Transformed: A Study in Statecraft*, Cambridge, Mass.: Harvard University Press, 1995.

43 Urwin, Derek W., *The Community of Europe: A History of European Integration Since 1945*, op.cit.: 159.

44 See Hamilton, Keith, and Patrick Salmon (eds.), *The Year of Europe: America, Europe and the Energy Crisis, 1972-74*, Abingdon: Routledge, 2006.

Community decreased from 6.0 percent in 1973 to 1.8 percent in 1974 and even to a record low of -0.9 percent in 1975. It never was to achieve American growth rates again. In 1980, the EC's growth rate was 1.0 percent, in 1985 2.6 percent and in 1990 an exceptionally high 3.0 percent. By 2005, the EU's average growth rate was 2.1 percent, while the average US GDP growth rate between 1977 and 1990 was 3.1 percent on annual average, between 1995 and 2005 even 5.0 percent on annual average.

Of course, it was not only the high prices for energy that contributed to the slow down in the long boom that Europe had enjoyed throughout the 1950's and 1960's. Exports decreased, labor relations strained and productivity receded during the 1970's and 1980's. Eventually, the obstacles of an incomplete European market were recognized across the EC. Only when the EC launched the "1992 project" of a Single Market in 1985 did the perception of "Eurosclerosis" slowly give way to new economic dynamism.[45]

In terms of European security, the US continued to provide the necessary nuclear and non-nuclear umbrella. With the CSCE Process, the dawn of communist totalitarianism and of the Cold War began in 1975. It was indicative that the EC participated in the CSCE process for the first time as a political actor. To get used to this European claim for a political positioning of the EC was difficult for many Americans to accept as more or less economic parity with the EC in spite of productivity gaps and the high welfare state costs in Europe. Yet it happened and the trade negotiators on both sides of the Atlantic developed their own community of shared interests and explosive conflicts over trade issues, which the media loved to portray as "wars."

When the communist edifice finally collapsed, the Berlin Wall came down in November 1989 and the Cold War ended, it was unquestionable that the West was led by the US. Many people behind the Iron Curtain had longed for freedom as they saw it represented by the US and for security provided by the US – particularly in the Baltic republics Estonia, Latvia and Lithuania that emerged from the long shadow of the Hitler-Stalin Pact and their submission to the Soviet Union. With their hope for prosperity, the post-communist countries looked to the European Union. At best, they wanted to join both the EU and NATO, which opened its door first.[46] On board a warship off the coast of Malta, US President George H.W. Bush and USSR President Mikhail Gorbachev declared the Cold War over on December 3, 1989. The long way from Yalta to Malta had ended. By 2007, ten former communist countries had become members of NATO and members of the EU.

The outbreak of four Wars of Yugoslavian Succession between 1991 and 1999 confirmed all American skepticism regarding the political weight of the European

45 See Silva, Michael, and Bertil Sjogren, *Europe 1992 and the New World Power Game*, New York: Wiley, 1990.

46 See Asmus, Ronald D., *Opening NATO's Door: How the Alliance Remade Itself for a New Era*, New York: Columbia University Press, 2002.

Union. The semantic refounding of the EC as European Union was not enough. The Treaty of Maastricht initiated a common foreign and security policy, but it was too slow to prevent the first wars on European soil since the end of World War II and it was too incoherent to gain respect in the US. How difficult the shaping of a common European interest would remain became clear at the very beginning of the Yugoslavian crisis: The European partners could not agree on the procedures to recognize the first breakaway republics Slovenia and Croatia in late 1991. They disagreed on the recognition of Macedonia's state name with the Greeks insisting that this new republic be called FYROM (Former Yugoslav Republic of Macedonia), to ensure that it would not be confused with the Greek region of Macedonia. They were not able to resort to military power to stop the ethnic cleansing by Yugoslavian dictator Slobodan Milošević in the Kosovo province.[47] It had to be stopped by American bombings on Milošević's installations of power across Serbia. Only when the subsequent UN-led protectorate over Kosovo was challenged by the unwavering will of the Kosovo Albanians for independence, was the EU finally doing better in the process of finding a status solution for Kosovo: Eventually, the European Union agreed on recognizing the province's desire for independence and by the end of 2007, the EU decided to lead the civilian mission supervising Kosovo's independence in the following year.

From an American point of view, the Yugoslavian nightmare of the 1990's was a repetition of the experiences with Europe during the 1940's and 1950's. Again, the US had to serve as pacifier and subsequently also as European unifier. At first, the EU remained reluctant to recognize the newly emerging republics of former Yugoslavia as EU candidates. Then, the EU remained hesitant to accept the independence of Kosovo. The US was not only pushing for this direction of reordering the territories of the former Yugoslavia. The US was even promoting Turkish EU membership while it remained overly controversial inside the European Union. While the European Union was still debating the ability of Romania and Bulgaria to join the EU, NATO had already taken both Southeast European countries on board as new members in 2004. The same procedure took place in 2008 when NATO invited Albania, Macedonia and Croatia as new member states while the European Union was still hesitant to accept them as EU candidate countries or members. While the US was considering the reordering of Southeast Europe a strategic issue, the EU was approaching the troubling region with cautious reluctance.[48] It goes to the credit of both the US and the EU that the diplomacy of bringing independence to Kosovo eventually became a coordinated transatlantic operation. But at that time, in late 2007/early 2008, US strategists were already looking

47 See Biermann, Rafael, *Schattenjahre: Das Scheitern der internationalen Konflikteinwirkung im Kosovo vor Kriegsbeginn*, Paderborn: Schöningh, 2005; Ahrens, Geert-Hinrich, *Diplomacy on the Edge: Containment of Ethnic Conflict and the Minorities Working Group of the Conferences on Yugoslavia*, Washington D.C.: Woodrow Wilson Center Press, 2007.

48 See Altmann, Rüdiger, and Eugene Whitlock (eds.), *European and US Policies in the Balkans: Different Views and Perceptions, Common Interests and Platforms*, Berlin: Stiftung Wissenschaft und Politik, 2004.

beyond Southeast Europe in order to anchor the Ukraine and the countries of the Southern Caucasus into Euro-Atlantic structures. Visionary strategists like Ronald D. Asmus were stretching the Eastern promise even to the countries of Central Asia.[49] Strategically speaking, the EU was always one step behind, in spite of the evolution of its own Central Asian Strategy that was adopted by the European Council on June 21-22, 2007. This strategy was more of a declaratory nature without a rigid definition of genuine EU interests in Central Asia.[50]

3. The Quest for Global Order

The most important effect of the end of the Cold War for the Atlantic Alliance was its change in transatlantic relations – a transformation underlined by the vast body of literature that was published on this matter throughout the 1990's.[51] Of course, there was no immediate end to the Alliance, as Geir Lundestad rightly reminded all skeptics of the debate.[52] But its most important need was to search for a new organizing idea beyond the traditional security paradigm rooted in the common ideal of defending freedom in the Euro-Atlantic region.[53] In the immediate years after the end of the Cold War, the economy was identified as the new organizing principle of strong transatlantic ties. The Transatlantic Declaration of 1990, the New Transatlantic Agenda of 1995 and

49 See Asmus, Ronald D., "Europe's Eastern Promise: Rethinking NATO and EU Enlargement," Foreign Affairs, Vol. 87.1 (2008): 95-106.

50 Council of the European Union, *Presidency Conclusions of the Brussels European Council*, 21/22 June 2007, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/94932.pdf.

51 See among many others van den Broek, Hans, et al., *Transatlantic Relations in the 1990s: The Emergence of New Security Architecture*, Washington D.C.: Brassey's ,1992; Lugar, Richard, *The Future of Transatlantic Relations: Euro-Atlantic Community and the Continuing US Role in Europe*, London: HMSO, 1993; Heuser, Beatrice, *Transatlantic Relations: Sharing Ideals and Costs*, London: Royal Institute of International Affairs, 1996; Bronstone, Adam, *European Union – United States Security Relations: Transatlantic Tensions and the Theory of International Relations*, New York: St. Martin's Press, 1997; Dembinski, Matthias, and Kinka Gerke (eds.), *Cooperation or Conflict?: Transatlantic Relation in Transition*, Frankfurt/New York: Campus, 1998.

52 Lundestad, Geir (ed.), *No End to Alliance: The United States and Western Europe: Past, Present and Future*, Houndmills: Macmillan, 1998; Lundestad, Geir, *"Empire" by Integration: The United States and European Integration*, Oxford: Oxford University Press, 1998; Leech, John (ed.), *Whole and Free: NATO, EU Enlargement and Transatlantic Relations*, London: Federal Trust for Education & Research, 2002; Sloan, Stanley, *NATO and Transatlantic Relations in the twenty-first century: Crisis, Continuity or Change?*, New York: Foreign Policy Association, 2002; Sloan, Stanley, and Peter van Ham, *What Future for NATO?*, London: Centre for European Reform, 2002; Sloan, Stanley, *NATO, the European Union and the Atlantic Community: The Transatlantic Bargain Reconsidered*, Lanham: Rowman & Littlefield, 2002; Mahncke, Dieter, et al. (eds.), *Redefining Transatlantic Security Relations: The Challenge Ahead*, Manchester: Manchester University Press, 2004.

53 Brandon, Henry (ed.), *In Search of a New World Order: The Future of US-European Relations*, Washington D.C.: Brookings Institution, 1992; Croci, Osvaldo, and Amy Verdun (eds.), *The Transatlantic Divide: Foreign and Security Policies in the Atlantic Alliance from Kosovo to Iraq*, Manchester: Manchester University Press, 2006; Zaborowski, Macin (ed.), *Friends Again?: EU-US Relations After the Crisis*, Paris: European Union Institute for Security Studies, 2006.

the Transatlantic Economic Partnership of 1998 were more than only inflationary rhetorical ambitions. While the Transatlantic Declaration established regular political encounters of the highest level between the US and the EU, the other two declarations were framework strategies and formulas aimed at installing the market as the core of the transatlantic relationship.[54] This was more than understandable, given the importance of transatlantic economic relations. Although the whole set of transatlantic security and policy relations were mentioned in the New Transatlantic Agenda (from the promotion of democracy to the fight against organized crime), it was primarily perceived as yet another declaratory contribution to manage economic globalization. The biggest flaw with this primacy of the market was not eliminated. By definition, the economy is a competitive sphere in which partnership can certainly transcend national loyalties, but in which conflicts can also easily poison the overall perception of the relationship and its sense of priority and urgency. Every successful transatlantic merger was balanced by the impression of another banana or steel "war" simmering through the media on both sides of the Atlantic.[55] Most importantly, the primacy of market relations left the political sphere absent and along with it the search for a new organizing principle encompassing both political and economic relations. More than ever, the backlash of this deficit was felt after 9/11 as "policy imperatives" resurfaced.[56]

The imminent perspective of a completed Single Market by 1992 and a common European currency produced a long series of proposals for how to reinforce transatlantic economic relations during the 1990's. When transatlantic relations were framed by the Transatlantic Agenda of 1990 and the New Transatlantic Agenda of 1995, the US and the European Union were perceived as "seeking to open a new era in the history of their relationship by committing themselves to a transatlantic partnership."[57] The two largest economies of the world were intensifying transatlantic regulatory cooperation, recognizing that they are "the most active participants in the process of economic globalization…the primary instigators of international economic negotiations and the primary users of the international trade dispute settlement system."[58] Since the mid-

54 See Reinicke, Wolfgang H., *Deepening the Atlantic: Toward a New Transatlantic Marketplace?*, Gütersloh: Bertelsmann Foundation Publishers, 1996; Monar, Jörg (ed.), *The New Transatlantic Agenda and the Future of EU-US Relations*, London/Boston: Kluwer Law International, 1998; Pollack, Mark A. (ed.), *The New Transatlantic Agenda at Five: A Critical Assessment*, Fiesole: European University Institute, 2002.

55 See Busch, Marc L., *Transatlantic Trade Conflicts and GATT/WTO Dispute Settlement*, Fiesole: European University Institute, 2002.

56 See Hensel, Howard M. (ed.), *The United States and Europe: Policy Imperatives in a Globalizing World*, Aldershot: Ashgate, 2002.

57 Gardner, Anthony L., *A New Era in US-EU Relations?: The Clinton Administration and the New Transatlantic Agenda*, Aldershot: Ashgate, 1997: 1.

58 Pollack, Mark A., and Gregory C. Shaffer, "Transatlantic Governance in Historical and Theoretical Perspective," in: Pollack, Mark A., and Gregory C. Shaffer (eds.), *Transatlantic Governance in the Global Economy*, Lanham: Rowman & Littlefield, 2001: 4.

1980's, "the relative economic clout of the United States stabilized to be about equal to that of the European Union."[59]

After World War II, the US national income was greater than the rest of the world's market economies combined. This enormous supremacy of the US was not without reason. During the 1930's, world trade declined by approximately 60 percent. One of the causes of the Great Depression was the effect of the "infamous"[60] Smoot-Hawley tariff that established the highest general tariff structure the United States has arguably ever practiced. European and other states reciprocated and world trade plummeted. US imports fell from 4.4 billion US dollars in 1929 to 1.4 billion US dollars in 1933 and US exports plunged from 5.1 billion US dollars to 1.6 billion US dollars during the same period. The Great Depression was man-made after all. European economies resorted to autarky and political radicalism surged. During the war years, the US economy expanded by 106 percent, while the GDP of Europe's economies decreased sharply: in Germany by 48 percent, in Austria by 43 percent, in Italy by 21 percent and in France by 17 percent.

With the end of World War II, the global economy was expanding again, although at the beginning there was hardly any cross-border investment. As they were reconstructing their war-torn economies, the EEC member states began to catch up speedily with the US. From the late 1950's to the 1980's, the US share of world production dropped from more than 50 percent to just over a quarter. The US began to perceive Europe "as an economic rival as well as an ally."[61] In spite of free trade agreements favoring more transatlantic trade, the largest amount of protective measures were non-tariff barriers. It was estimated that in the 1980's about one third of the manufacturing sectors in the US and in the EU economies were protected by non-tariff barriers. Yet, transatlantic investments began to substantially increase: between 1977 and 1984 from 34.6 billion US dollars to 159.6 billion US dollars.[62] Time was ripe for stronger transatlantic regulatory mechanisms to frame this dynamic interaction.[63]

The bilateral EU-US debate as well as their extension into the WTO context was wavering between liberalization and regulation. Increasingly, US-EU disputes and solutions alone would not make the WTO work, as other countries of the world became stronger in the representation of their own specific interests. This became evident during global trade negotiations in the early years of the twenty-first century. After initial bilateral compromises between US and EU trade negotiators in 2001, the Doha Ministerial Meeting in November 2001 – in the shadow of the terrorist attacks of 9/11 – agreed on a Doha Development Agenda that went beyond much of the original intention

59 Ibid.: 7.
60 Ibid.: 8.
61 Ibid.: 10.
62 Ibid.: 12.
63 See Bermann, George A., et al. (eds.), *Transatlantic Regulatory Cooperation: Legal Problems and Political Prospects*, Oxford/New York: Oxford University Press, 2001.

of the US and the EU to further global trade negotiations. The concerns of developing countries had to be taken much more seriously than ever in order to reach any kind of consensus in Doha. The mandate of the Doha Conference included negotiations on agriculture and services, but also brought interests of developing countries, for instance regarding the protection of their medicine markets, to public attention.

The fact that the EU and the US could no longer dominate the outcome of WTO negotiations became evident in September 2003, when the global meeting of trade ministers in Cancun failed to reach results acceptable to all member states. On trade matters, the EU and the US will have to learn to live with an ever-stronger multipolar and multidimensional world. An example for their failed policies of effective and meaningful change are the continuous subsidies of the US and the EU to their cotton industries while Benin, Chad, Mali and Burkina Faso have submitted a strong proposal to the WTO to stop this practice as it destroys the potential of Africa's main cotton producers. Due to US and EU subsidies in this sector – the US alone was subsidizing a few thousand cotton farmers with 6 billion dollars in 2001 – the income of 10 million people who depend directly on cotton production in the aforementioned African countries has shrunk dramatically. Although the countries of western and central Africa have increased their cotton output by 14 percent between 1999 and 2001, their export receipts fell 31 percent while the world price of cotton has plummeted for over a decade.

The intensive degree of transatlantic economic governance encompasses intergovernmental, transgovernmental and transnational levels. Regular annual summit meetings between the US President and the EU Commission President began with the Transatlantic Declaration of 1990. In endless transgovernmental meetings and negotiations civil servants are working with their transatlantic counterparts; and on the transnational level business representatives, union leaders, civil society activists and academics began to network in innumerable ways.[64] Yet, the primacy of politics was restored when terrorist enemies attacked the US and thus the whole Western world – not only affecting the outcome of the Doha conference, but particularly impacting transatlantic threat perceptions.

The outpouring of European solidarity after the terrible terrorist attacks on New York and Washington on September 11, 2001, was boundless. "Le Monde" titled its front page with "We are all Americans" and the invocation of NATO's Article 5 – the alliance clause – on September 12, 2001, was a doubtless commitment to the reciprocity of Atlantic solidarity by America's European allies. The Bush administration did not make a very wise use of this solidarity. Unilaterally, it prepared to destroy the Taliban-regime in Afghanistan that was harboring the bulk of Al Qaeda terrorist structures. The military operation in Afghanistan began as a unilateral American action on October 7, 2001, although with political support from the European Union. A UN sponsored

64 Ibid.: 17-34.

Afghanistan Conference was held in Bonn between November 27 and December 5, 2001, outlining the new constitutional structures and the framework for power-sharing in Afghanistan. Since August 11, 2003, under NATO command, twenty-three EU member states were providing the largest contingent of 8,500 peacekeeping troops to the International Security Assistance Force (ISAF) in post-Taliban Afghanistan. By 2007, thirty-seven nations were contributing to the International Security Assistance Force. Its more than 18,500 soldiers were supposed to stay in Afghanistan for many years to come. In 2007, the European Union established EUPOL Afghanistan, a civilian mission aimed at consulting and supervising the Afghan police force. The situation in Afghanistan had not become easy or stable. In light of continuous terror attacks and the new recruiting of Taliban terrorists in certain areas of Afghanistan, the potential failure of ISAF had become a permanent political and media issue across NATO countries. NATO and the EU could only succeed together – or fail together. Most troubling was the situation in neighboring Pakistan, which became dangerously uncertain and an increasing cause of concern in Europe and the US.

Disputes about tactics and strategy prevailed between Europeans and Americans, but they were moderate compared to the immediate crisis over priorities in the war against terror that had broken out after "9/11" and the beginning of the Afghanistan operation. The transatlantic controversies had escalated after President Bush's speech to the US Congress of January 29, 2002. His attack on the "axis of evil" (Iraq, Iran, North Korea) as possible targets for further military regime-change triggered a storm of opposition in Europe, unheard of since President Ronald W. Reagan had labeled the Soviet Union an "evil empire" in a speech to the British House of Commons on June 8, 1982. President Bush's speech was more than the announcement of American strength, retaliation and, maybe, unilateral action against further rogue states. In the eyes of many European critics, this was the return of an old testament-like world-view in the sphere of secular politics. A value gap between the US and Europe was noticeable that had obviously been covered and tamed by the common threat of communism and the supremacy of open, pluralistic Western society.

Differing threat perceptions, contrasting interpretations of the usefulness of multilateral actions and conflicting policy choices culminated in clashing moralities. Transatlantic relations reached their all-time low. Internal European relations were as badly hurt as transatlantic trust. The split among EU members and soon-to-be-members was as deep as the transatlantic controversy – and may be even more bitter and lasting.[65]

65 See Bannermann, Edward, et al. (eds.), *Europe after September 11th*, London: Centre for European Reform, 2001; Stemplowski, Ryszard, and Laurence A. Whitehead (eds.), *After the Attack: "Several Europes" and Transatlantic Relations*, Warsaw: Polish Institute of International Affairs, 2002; Wells, Sam, and Ludger Kühnhardt (eds.), *The Crisis in Transatlantic Relations*, ZEI Discussion Paper C 143, Bonn: Center for European Integration Studies 2005; on a special aspect of the situation see Zaborowski, Marcin, and David H. Dunn (eds.) *Poland: a New Power in Transatlantic Security*, London/Portland: Frank Cass, 2003.

Soul searching began on all sides in order to contain or even heal this unique internal Cold War of the West.[66]

On both sides of the Atlantic, efforts were made to repair transatlantic relations. They would not become again as smooth as they once used to be. America's primacy might be inevitable, but its political dominance was to be challenged continuously by a European Union more self-assertive than ever. President Bush had declared a "war on terror" and the majority of American citizens saw their country at war. This feeling was not shared across Europe and it seemed that in spite of many healing efforts, the fight against global terrorism could not properly serve as a new organizing idea for the Atlantic community. From a European perspective, the war on terror would have to be complemented by the readiness of both Atlantic partners to reach out to Muslim societies in a joint fight against radical ideology and terrorist violence, but also in a joint fight against social injustice, negligence and political autocracy. While senior analysts in Europe defined Europe's best interest as "staying close to number one,"[67] the European public was in favor of developing the European Union into a superpower equal to the United States. 71 percent supported this idea in an opinion poll conducted by the German Marshall Fund of the United States. When however challenged with the necessary increase in defense spending this would eventually entail, support for the idea of an independent European superpower dropped to 44 percent.[68] The best approach for the European Union states and citizens had always been and would remain to be "smart allies," as Christoph Bertram put it.[69] In order to have any influence on the American debate and America's policy, Europeans would need to listen to American arguments, to consistently develop internal European cohesion about common interests and they would have to stay loyal transatlantic partners.

Beyond the agenda of the Bush Presidency, Americans were still in the learning process of taking the European Union more seriously. They needed to better grasp the genuine nature of the European Union that had come a long way since the days of Jean Monnet. The fact that President Bush paid his first foreign visit after his second inauguration to Europe in February 2005 was a subtle recognition of this fact. President Bush could never regain the political reputation in Europe that he had lost in the thick of

66 See European Commission. Directorate-General for External Relations (ed.), *European Union Relations with the United States*, Luxembourg: Office for Official Publications of the European Communities, 2002; United States Congress. House, Committee on International Relations, Subcommittee on Europe, *Renewing the Transatlantic Partnership: A View from the United* States, Hearing Before the Subcommittee, June 11, 2003, Washington D.C.: US G.P.O. Congressional Sales Office, 2003; United States Congress. House, Committee on International Relations, Subcommittee on Europe, *The Future of Transatlantic Relations: A View from Europe*, Hearing before the Subcommittee, Washington, June 17, 2003, Washington D.C.: US G.P.O. Congressional Sales Office, 2003; Grant, Charles, *Transatlantic Rift: How to Bring the Two Sides Together*, London: Centre for European Reform, 2003.

67 Bertram, Christoph, "Europe's Best Interest: Staying Close to Number One," *Internationale Politik und Gesellschaft*, 1 (2003): 61-70.

68 *Frankfurter Allgemeine Zeitung*, "Europäer wollen Weltmacht sein," 9. September 2005: 6.

69 Bertram, Christoph, "Europe's Best Interest: Staying Close to Number One," op. cit.: 69.

his policies in Iraq. In 2008, Europe was waiting for the election of a new American President. No matter the choice of the American people, Europe was well advised not to expect less from any new US President as far as global burden-sharing was concerned. Toward the end of the first decade of the twenty-first century and independent from leadership on either side of the Atlantic Ocean, the European Union and the United States were beginning to readjust their focus and compass again. The majority of reasonable observers and political actors had realized that the transatlantic partners were and remained indispensable for each other in the management of global affairs. Climate change, global trade liberalization, the future of Africa, the conflict over Iran's nuclear armament or the resolution of the Middle East conflict – none of the central policy issues in the age of globalization would be resolved without a consensual commitment of the United States of America and the European Union. To manage global affairs in freedom and solidarity – that motto could emerge as the new organizing idea for the transatlantic partners throughout the forthcoming decades of the twenty-first century.

4. Culture and Religion: The Value Gap

Common values were invoked as the foundation of transatlantic relations for almost all too long. Artificial debates proceeded about the relationship between values and interests. With the clash over Iraq and the return of religion as a public category, a "war of Weltanschauung" began to change the cultural fabric of European-American relations. With hindsight, the Cold War helped to make easy and general choices: The free world versus communism, democracy versus totalitarian rule, market economy versus state planned economy, affluence versus shortage and backwardness. Even during the Cold War, President Ronald Reagan's use of the term "evil empire" was considered by its critics as a naïve expression of a cowboy-like actor-turned-politician. For a long time, many Europeans did not take "the American spirit" seriously and did not recognize the underlying cultural and religious foundation of the US. As proud as they were to have overcome warfare and hatred by tolerance, secularization and rule of law based civil society, they often failed to understand the religious character of America. Already superficial reading of early European writings about America – such as Alexis de Tocqueville's "On Democracy in America" (1836/1840) – could have helped explain this important matter concerning the American identity. All too often, the stereotypical image of the US as an incarnation of liberalism and freedom of choice in all possible meanings of the word blurred a more differentiated European perception of the US. Religion, after all, had always been a cultural divide between the Old World and the New World. While the ideology and life style of the cultural revolution of 1968 was phasing out both in Europe and in the US, this difference was immediately brought back into the limelight when Islamic terrorism struck.

One of the remarkable features in its aftermath was the almost theological coalition of the "moral majority," America's conservative, largely evangelical Christians, and the American Jewry, traditionally renowned for its liberalism and secularism. Under pressure from Islamic fanatics they joined ranks, declaring that Palestinian violence in Israel was another expression of the same threat, and that basically Jews in the Holy Land and Americans in the US were chosen people with a biblical mission. Wasn't this close to the belief of the "Pilgrim Fathers" of the early seventeenth century? As much as Europe had persecuted the "Pilgrim Fathers" four centuries earlier and had forced them to leave for the New World, in the early twenty-first century Europe by and large had become indifferent to a public role of religion. Neither the language of President Reagan nor the terminology used by President George W. Bush found sympathy among many Europeans that had replaced the term "evil" by categories of "social contingency" and the term "sin" by a psycho-sociological language of "preference" and "tolerance." They considered themselves to be the proud acolytes of the age of enlightenment and the American conservatives as figures from the dark ages of Europe's own past.

Deep convictions – and certainly religious creed and strong faith – estranged left-liberal European intellectuals who at the same time did not feel comfortable about Islam either. The matter was complicated by the fact that many European conservatives are not explicitly religious. Whenever they are religious, they tend to be less evangelical and fundamentalist as their American brothers and sisters. This trend is nurtured by the fact that Catholicism is much stronger in Europe (and elsewhere in the world, particularly in Latin America and Africa) than in the US. Catholicism tends to focus on forgiveness and reconciliation, on ecumenical values rather than on rigid dichotomies between inescapable clashes of good and evil. The late Pope John Paul II on the one hand, and US President George W. Bush on the other hand, represented two different political theologies when they disputed the justification of invading Iraq.

Different interpretations of the same values are not a particular phenomenon that divides Americans and Europeans, religious and non-religious citizens alike. Among Europeans one can find as many different interpretations of the same values and moral norms as one can find in the US. What is however a remarkable difference is the relevance citizens of the two Atlantic societies attribute to God, faith and the public role of religion. For 82 percent of Americans, life is meaningful only because God exists. In Europe, all societies have far lower approval rates for this belief. Spain leads with 37 percent of its citizens explicitly saying that life is meaningful only because God exists. Many other people in Europe have less explicit attitudes on faith. Often, the answer to religion is in the negative: 49 percent of Danes, 55 percent of Swedes and nearly 75 percent of Czechs explicitly say that God does not matter to their life at all. Church attendance is substantially lower in Europe than in the US. This is not only a matter of

personal faith, but has implications for community-building where churches have always played a crucial role.[70]

On matters of religion and the public relevance of religiosity, Europe had become the exceptional continent. This startling gap in faith and religion not only echoes different personal choices, it has fundamental implications for the public discourse about moral issues and for the public meaning of religion. It also has deep effects on the transatlantic community of values. As religion has become a public matter again in the Western world, these differences impact the smooth evolution of a new organizing transatlantic rationale enormously.

The religious question surfaced at a time when the implications of the cultural revolution of 1968 were slowly vanishing from the center of Western political culture. While 1968 was an uprising of youthful discontent with the political establishment of the time, by the early twenty-first century the protagonists of "1968" had accommodated themselves in the position of establishment. In 1968, the Western world witnessed the evolution of a counter-culture to its established norms and authorities.[71] In the early twenty-first century, the late-culture of 1968 was confronted with the revival of religious claims in public life against its long-standing prognosis of the withering away of religion and faith. Since "9/11," the focus has largely shifted to the question of how to perceive Islam and how to encounter Muslims living in Western societies. The answers given to this burning question are linked to overall religious attitudes in the West. The more inclusive and positive a society is in dealing with the faith of its citizens the less "political correctness" produces zones of taboo, prejudice and fear toward the faith of others. Theoretically, the US and the EU will agree on this assumption, in reality, their societies tend to pursue different attitudes. Whether Islamic terrorism (with the Madrid train bombing of March 1, 2003, killing 191 innocent people) and the presence of fundamentalist Islam in general (after "9/11," twenty times more terror suspects were arrested in Europe than in the US); whether the debate about head scarves in French schools or the brutal murder of a Dutch film director – frivolously critical of Islamic practices against the dignity of women – on November 2, 2004, in downtown Amsterdam; whether the unsatisfactory outcome of the debate about the inclusion of God in the preamble of the Treaty Establishing a Constitution for Europe or the excessively critical reaction to the traditional Catholic position on rejecting homosexual marriages and on women as mothers by Italian cabinet minister Rocco Buttiglione that cost him his career as an incoming European Union Commissioner – the Old World was not better prepared to deal with the return of religion as a public, at times disturbing and controversial issue. As for the transatlantic dimension of this question, it was important whether or not Europe and America would

70 See Ferguson, Niall, *Colossus: The Prize of America's Empire*, New York: Penguin Press 2004: 236.
71 See Suri, Jeremi, *Power and Protest: Global Revolution and the Rise of Détente*, Cambridge, Mass.: Harvard University Press, 2003.

be able to deal with the public meaning of religion and multireligious realities in their societies in a concordant and complementary way. In order to reclaim an organizing idea for the future cohesion of the Atlantic civilization, this remains a cardinal issue if the West does not want to reduce its own identity as simply and primarily being anti-Islamic. It would not help the West or any of its constituent parts to simplify Islam as a non- or even anti-Western religion. To be critical against all forms of radicalism and unclear notions of violence as a political means was important and legitimate. But to define Western identity would need to recognize the historical and contemporary contributions of Judaism and Islam, the two other "Religions of the Book."

The American concept of inclusive patriotism and of civil religion is absent in Europe, let alone in the European Union. Reference to the Christian Occident would not suffice to fill this gap. It would be speculative to project developments on either side of the Atlantic. But the value gap as a gap in the perception of the public meaning of religion had to be bridged beyond diplomatic niceties as an issue on the transatlantic agenda if common ground was to be found again. Until "9/11," Islam in the US was largely perceived as a matter of black empowerment. As a religion, Islam was neither questioned nor considered overly relevant in the US. As for the broader public discourse, it was not linked to the cultural upheavals in the Arab world or to implications for US migration policies. The US had never been perceived as facing particular problems of integrating its Arab-Islamic population, yet the US became the most prominent victim of Islamic fanaticism. Europeans, thinking that they had practiced tolerance with their Muslim migrants and accepted difference since the end of European colonialism, found it difficult to reconcile the uncomfortable awareness of parallel societies among themselves – with thousands of radicals mixing with millions of decent citizens of Islamic faith – and the inescapable proximity to the Arab world with their own advanced level of secularization and claim for laicism, which is to say a strict division between personal faith and public life. More eye-opening should have been the fact that aggression and violence among Muslims is not a matter of good or bad integration; it is a matter of ideology and related to radical organizations with a readiness to exercise acts of terrorism. It would come as a delusion on the matter if the European Court of Justice at some point had to rule on the issue of head scarves of European Union citizens in public schools of the EU. Europe has to learn to live with Islam in its midst, while at the same time it must do the utmost to fight radical and criminal violence perpetrated or planned in the name of this world religion. Europe would also have to contemplate how seriously it wants to return to its own Christian roots again and whether this ought to occur in an exclusive or inclusive manner.

Religion, civil religion and inclusive patriotism not only have theological implications, they also affect the political culture and the economy. So far, the European Union has not been able to generate a viable Euro-patriotism that would not be anti-American or anti-Islamic or anti-Russian, and yet be a defining moment for European

citizenship. Timothy Garton Ash, in rightly describing Euro-Gaullism or Euro-nationalism as the alternative to Euro-Atlanticism, has been warning that "the line between Europe as Not-America and Europe as Anti-America is not clearly marked on any map."[72] There is only one way out, he concluded, and that is to strengthen the Atlantic partnership for the sake of a better and freer world: Timothy Garton Ash recalled that many of those in Europe who appear "anti-American" "are often disappointed lovers, measuring America against its own high ideal of itself." A Europe, he concluded, "that likes the idea of America is a better Europe. Indeed, if we confront America with its own better self, we are confronting it, historically speaking, with a vision of a better Europe."[73] Sometimes, to follow this noble perspective seems to be more difficult than squaring the circle. It is difficult for many old and new Europeans alike. Unlike in the US, migration into the European Union is basically not driven by the political or cultural attraction of a European patriotism. It is driven by the political freedom prevailing in Europe, and it is driven by the prevailing welfare state benefits of the European states. No matter how culturally diverse the US is, it is united in a multireligious civil religion, and in a religion-based constitutionalism, which the European majority rejects. It is not surprising that as a consequence of this European secularism and, in fact, global exceptionalism, religious diversity poses stronger problems for most European societies than for the US, where religion remains a strong fact of life amid secular liberalism.

Popular culture and "high culture" have found a good balance and mutual recognition across the Atlantic. Euro-Disney in Paris and classical operas in San Francisco, McDonald's, pop music and Hollywood movies across Europe, growing numbers of French and Italian restaurants in the US and a continuous prevalence of European tourists among Americans – these and related questions touch on the lowest possible level of transatlantic stereotypes and commonalities. Even matters of biologically engineered food, the death penalty or political unilateralism are "merely" of a political nature and can be managed as issues of transatlantic domestic policy. The real transatlantic value gap is about the public role of religion, faith and God. Compared with the days of the "Pilgrim Fathers," cause and effect of the dispute about religion had been reversed. The US was perceived as fundamentalist, Europe as relativistic. No matter the many shades of grey that prevail, religion has obviously become the most divisive matter among many citizens of the Atlantic civilization.

72 Garton Ash, Timothy, *Free World: Why a Crisis of the West Reveals the Opportunity of Our Time*, London: Allen Lane, 2004: 64.

73 Ibid.: 232.

"Who needs a counterweight anyway?" asked Niall Ferguson, only to immediately give the quintessential answer: "Both the United States and the European Union have far more to gain from cooperation than from competition. The bottom line is that they need, even depend on, each other."[74] This does not mean that fantasies of counter-power and suspicion of a hidden European agenda will not prevail. It also does not mean that cooperation could not again give way to competition, and it surely will. The answer lies in the degree of competition and cooperation that is acceptable for transatlantic cohesion. It is ultimately a matter of defining priorities that are essential for the well-being, the freedom and security of all in the Atlantic civilization. The US and the EU will grow into a common global agenda by trial and error only, so it seems. Their contrasting interpretations of fundamental concepts such as national sovereignty, the relationship between soft power and hard power, and their attitude toward the United Nations and other instruments of multilateralism will have to be balanced with their shared interests, increasingly shared threat perceptions and the set of instruments they are ready to entertain in order to achieve their goals.[75]

The differences on migration and integration as discussed above also have implications for the way in which the US and the EU approach matters of global relevance, and certainly the relationship with the Arab world. Europe sits at the frontline of the Western world with Russia to its east and with the world of Islam to its south. None of these experiences confronts the US. Mexican immigration, legal or illegal, is of a substantially different nature and the integration pattern of the largely Catholic population from Latin America underlines the differences of its effects compared with Islamic migration into Europe.

More than for the US, the migration issue has a twofold-meaning for Europe. It is not only confronting Europe with the migration of Muslims – today constituting 3.2 percent of Europe's 491 million citizens (15 million) – but it also confronts Europe with its neighboring Muslim states and their internal situations.[76] During the Cold War, one of the favorite disputes among Atlantic partners related to the question of who understood the Russians best. While Europeans claimed that proximity and historical experiences among neighbors mattered more, Americans insisted on their own strategic competence and personal knowledge of the Soviet Union and its ambitions. The Atlantic Alliance was able to balance both views with its two-fold approach of deterrence and cooperation as outlined in the 1967 Harmel Report. To this day, a similar balance of transatlantic views on the Broader Middle East, and especially on the future relationship with Iran, is still missing. The EU maintains a Euro-Mediterranean

74 Ferguson, Niall, *Colossus: The Price of America's Empire*, op.cit.: 257.

75 See Kühnhardt, Ludger, *Contrasting Transatlantic Interpretations: The EU and the US Towards a Common Global Role*, Stockholm: Swedish Institute for European Policy Studies, 2003.

76 Estimates for the Muslim population in the US vary between 3 and 6 million.

Partnership, NATO manages its own Mediterranean Dialogue but none of these cooperative efforts has been able to either transform the region or to link it in cooperative ways to the West in a new security structure.

One of the promising elements of recent developments has been the creation of the Middle East Quartet. In spite of rivalry and ongoing differences in perception and strategic approach, the US and the EU, together with the United Nations and Russia, were able to work out the Road Map for a lasting peace in the Middle East. This document of April 2003 has become the road map for a sustainable and comprehensive solution to the Middle East conflict.[77] The resolution of the Middle East conflict on the basis of a two-state solution – a secure Israel in recognized borders and a secure Palestine in recognized borders – remains the highest and most pressing priority on the international agenda. Continuous failure in resolving the Middle East conflict will also mean a continuous de-legitimization of both the United States and the European Union to be accepted as honest brokers and mediators. The relaunched Arab peace initiative of spring 2007 has added a new dimension to the search for a comprehensive peace concept. The Middle East Quartet would be well advised to take the Arab League on board and take their new commitment to a comprehensive peace order in the Middle East seriously.

The European Union has been taken more seriously by the United States – and also by Israel – since it has enhanced its robust presence in the region since 2006. At the request of Israel, the European Union has been securing the Gaza border in Rafah since early 2006 (European Border Assistance Mission, EUBAM). With the deployment of about 6,000 European soldiers in Southern Lebanon and in the coastal waters between Lebanon and Israel in 2006, the European Union has become a key player in the Middle East conflict.

The Middle East conflict is inextricably linked to and overshadowed by the rise of Iran as a regional power. The Iranian nuclear ambition has met Western concern and helplessness. Iran's policy has changed the power equation in the Broader Middle East and will continue doing so. Western reactions will remain obfuscated and limited as long as the original Middle East conflict cannot be resolved and taken off the global agenda. No matter the outcome of the specific issues, the Broader Middle East will remain the most difficult region for the United States and the European Union to project their partnership and global role. In order to achieve peace and stability, freedom and prosperity in the Broader Middle East, the US and the EU will have to map out the future for the region in cooperation with all moderate forces in the Arab world. They may try to apply certain experiences from their successful past, most notably the idea of

77 For the context see Musu, Costanza, and William Wallace, "The Middle East: Focus of Discord?," in: Peterson, John, and Mark A. Pollack (eds.), *Europe, America, Bush: Transatlantic Relations in the Twenty-first Century*, op.cit: 99-114.

a multidimensional (and, of course, multilateral) approach to the evolution of a comprehensive peace order.[78]

Beyond the Broader Middle East, the European Union and the United States are increasingly confronted with the painfully unsettled agenda of Africa's development. Africa, after all, is Europe's immediate neighboring continent. Africa cannot be neglected any longer without unpleasant repercussions for Europe itself, including the effects of illegal migration and the spreading of crime. In a sense, Africa as much as the Broader Middle East, are not really "out of area" for Europe. They form an integral element in the shaping of Europe's future.

The term "out of area" began its career as a technical description of engagements of the Atlantic Alliance outside the territory of its partner countries covered by the NATO Treaty. In its variant "out of area or out of business" the term has become an American slogan for judging the strategic competence and readiness for action of the European Union.[79] In historical perspective, "out of area" differences have been the longest standing disputes of the Atlantic civilization. Spanish and Portuguese colonialism in Latin America was followed by the global outreach of Great Britain and France, the Netherlands and Belgium, and belatedly Germany and Italy. After the independence of the Latin American republics following the defeat of Napoleon in the early nineteenth century, the Monroe Doctrine of 1823 declared US dominance over the affairs in the Western hemisphere. Latin America fell under the strategic control of the US. Interventions occurred whenever American interests were at stake. The claim of the United States in the seventeenth century to gain independence from colonial and oppressive European states was followed by genuine American imperialism in the nineteenth century: Haiti, Puerto Rico, Cuba, Guam, the Philippines, "Gun Boat Diplomacy" toward Japan, China, and Korea – the list of imperial American power projections and colonial adventures is substantially shorter than the list of European colonial expansions, nevertheless it exists. Woodrow Wilson's insistence on national self-determination came as a liberating support to the colonized people and the ethnic minorities in multi-ethnic empires in Europe. Yet American power projections did not vanish from the surface of the earth after his the Fourteen Points of his post-war program had been outlined.

Decolonization of the twentieth century has correctly been perceived as the shrinking of Europe's global power. Although this is by and large true, Europe's influence in its former colonies and its interest in their development has not vanished. But the notion and content of power has changed in both directions. Most post-colonial

78 See Kühnhardt, Ludger, *System-Opening and Co-Operative Transformation of the Broader Middle East: A New Trans-Atlantic Project and a Joint Euro-Atlantic-Arab Task*, EUROMESCO Papers No.26, Lisbon: Euro-Mediterranean Study Commission, 2003; Marchetti, Andreas (ed.), *The CSCE as a Model to Transform Western Relations with the Broader Middle East*, ZEI Discussion Paper C 137, Bonn: Center for European Integration Studies, 2004.

79 See Gompert, David, and F. Stephen Larrabee (eds.), *America and Europe: A Partnership for a New Era*, Cambridge: Cambridge University Press, 1998.

elites of the first generation had been educated in Europe and their political socialization manifested European concepts more than anything else. Their new states followed stages of sovereignty not so alien to the internal evolution in Europe itself. The rise of the nation state in the name of national sovereignty, the quest for popular sovereignty and democracy, the antagonism between national integration and political pluralism, and finally the ongoing migration pattern toward the former "colonial centers" linked Europe again with its former colonies, often with growing approval by the indigenous population.[80] Since the beginning of European integration, a new relationship between European countries and their former colonies was part of the evolving European process. Europe's strategic interest became ever more focused, promoting regional cooperation and, wherever possible, integration across the Third World. Moreover, the European Union is the largest donor of development aid to countries in Asia, Africa, and Latin America and often the leading investor in their emerging markets.

The US filled the power vacuum European countries had left "out of area" with their own strategic, military, political and humanitarian presence. The US started its Indochina involvement in 1954 with the participation at the Geneva Conference following French defeat in Dien Bien Phu. Also in 1954, a US-inspired coup overthrew the Mossadeq government in Iran, which started the US presence in a region that formerly belonged to the British sphere of influence. The fall of the Shah in 1979 changed America's strategic position in the Gulf region. Saudi-Arabia became America's most important ally – until "9/11." Since the days of the Suez crisis and intensified with the Arab-Israeli War of 1973, the US has become the dominant external power in the Middle East with strong protective ties to Israel, but also with strong ties to some of the other countries; Egypt and Jordan receive more military aid than any other country in the world except for Israel. European political, and moreover military, influence has shrunk with the withdrawal of troops from the Middle East, from Indochina, from the Indian subcontinent and from many places in Africa – although France maintained its post-colonial big power presence in sub-Saharan Africa as long as it could. With the emerging Common Foreign, Security and Defense Policy of the EU it is not without conceptual reason, historical foundation or political purpose that the European Union is beginning to again expand the projection of its power – both geographically and in terms of instruments and goals.[81] The test case for Europe's global role in the twenty-first century will all in all be in regions where Europe once used to execute colonial interests. In the twenty-first century, Europe returns to global presence. As the European Union, Europe's interests are defined by peace, partnership and development through good governance, by the promotion of rule of law, democracy

80 See Kühnhardt, Ludger, *Stufen der Souveränität: Staatsverständnis und Selbstbestimmung in der Dritten Welt*, Bonn: Bouvier, 1992.

81 See Thiele, Ralph D., "Projecting European Power: A European View," in: Brimmer, Esther (ed.), *The EU's Search for a Strategic Role: ESDP and Its Implications for Transatlantic Relations*, Washington D.C.: Center for Transatlantic Relations, 2002: 67-82.

and regional integration. This is altogether a very different approach and agenda from past projections of European-ness around the world.

Defining the "terms of engagement"[82] on these matters through a continuous transatlantic bargain is without alternative if the US and the EU want to manage global affairs as each other's most important partner during the twenty-first century. US power projection will remain necessary, irreplaceable and inevitable, yet the US needs partners, as became painfully evident not only after the military defeat of Saddam Hussein in Iraq in 2003. On the other hand, the EU, driven by its experience that favors non-military solutions to resolve conflicts and by its genuine focus on conflict-prevention, will need the partnership with the US if it wants to truly succeed in most of the world's intricate conflicts of a new era.

It is the curse of their common past and the logic of their limits that bind the US and the EU together in building and executing a common global agenda. Whenever possible, they will be well advised to engage other countries and their resources, experiences and perspectives. Transatlantic partnership will increasingly be embedded in a multipolar structure of world affairs. Neither the US nor the EU will have to worry about this. Their primacy in world affairs can only be undermined by their own hands.[83] Their potential of mistakes will not reduced by any act of unilateralism or any ludicrous declaration of independence of either of the Atlantic partners. At least this lesson both the US and the EU should have learned from the past decades of their constructive and by and large enormously successful internal development and the global projection of the Atlantic civilization. Amidst its Second Founding, the European Union would continuously need the United States as its indispensable and most reliable partner in the promotion of shared values and common interests.

82 Lindley-French, Julian, *Terms of Engagement: The Paradox of American Power and the Transatlantic Dilemma post-11 September*, Paris: European Union Institute for Security Studies, 2002.

83 See Kupchan, Charles A., *Power in Transition: The Peaceful Change of International Order*, New York: United Nations University Press, 2002.

VII. Globalization and the Changing Rationale for European Integration

1. Buzzwords as Moving Targets with Limited Explanatory Capacity

Any perusal of the social science literature reveals that "globalization" has become the most important buzzword of the early twenty-first century. To understand and define the current path of the world, scholars seem to assess the processes of globalization as the main driving force of the newly emerging world order.[1] Economists reinforce this assumption of globalization as the most important paradigm of the current development on earth with empirical evidence. Also historical logic seems to lend support to the perspective of an inevitable road toward more globalization, with only the sky as the limit. In the world of politics, more on the left it seems, the logic of globalization is being perceived as the most important driving force for the future formulation of foreign and of domestic policies alike. In spite of the absence of a clear understanding of what "globalization" truly means and which definition of its character and role can claim consensus, the term "globalization" has achieved greater recognition than any other single word that tries to characterize the post Cold War era.

"Globalization" implies a never-ending expansion of market economy and market based culture. It refers to science and technology driven increases in global interdependence and to seemingly limitless trans-border cooperation for the sake of new economic and cultural opportunities. "Globalization" means the exponential increase in cross-border flows of goods, services and capital and an incessant increase in cross-border exchanges of knowledge. Critics of "globalization" have argued about the social costs of global capitalism, they have defended the "losers" of globalization, have attacked its effects on regional, local or personal identities and have warned about populist and xenophobic political backlashes.[2] Globalization is intrinsically linked to an increase in individualization and thus seems difficult to deal with on a political level, as demonstrated by the debates about the "Tobin tax" and other proposals intended to regulate global market developments. Some authors have gone so far as to suggest that

1 See Kempny, Marian, and Aldona Jawlowska (eds.), *Identity in Transformation: Postmodernity, Postcommunism, and Globalization*, Westport: Praeger, 2002; Goddard, C. Roe, et al. (eds.), *International Political Economy: State-Market Relations in a Changing Global Order*, Basingstoke: Palgrave Macmillan, 2003; Das, Dilip K., *The Economic Dimensions of Globalization*, Basingstoke: Palgrave Macmillan, 2004; Dinopoulos, Elias, et al. (eds.), *Globalization: Prospects and Problems*, Abingdon: Routledge, 2007.

2 See Sassen, Saskia, and Kwame Anthony Appiah (eds.), *Globalization and its Discontents*, New York: New Press, 1998; Lafougère, Michel, *L'Europe face au défi de la mondialisation: les consequences socials de la reconstruction des économies en Europe*, Strasbourg: Editions du Conseil de l'Europe, 1998; Loch, Dietmar, and Wilhelm Heitmeier (eds.), *Schattenseiten der Globalisierung*, Frankfurt: Suhrkamp, 2001; Sykes, Robert, et al. (eds.), *Globalization and European Welfare States: Challenges and Change*, Houndmills: Palgrave, 2001; Ariès, Paul, et al. (eds.), *L'Europe Globalisée: la fin des illusions*, Paris: Harmattan, 2002.