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Commentary on the Warsaw Conference

As these papers show, the participants in the first of what we hope will be an annual series of conferences were selected from a wide range of countries and career backgrounds. For the most part they did not know each other before this gathering, and they certainly did not know enough about what the others would say to select strategic positions or to opt for specialization. The result was that all of these (mostly concise and provisional) think pieces try to tackle the same very broad and troublesome issue: the state of the transatlantic relationship, its dynamics and prospects. This is a very big and elusive topic. Typically analysts tend to shie away from taking on the whole field. They concentrate on one aspect, or one period, and leave it to their readers to fill in the broader background. But in our first conference we wanted every participant to sketch out the big picture for themselves. We then spent two days comparing notes, and adjusting perspectives, before presenting a digest of our views at a remarkably frank and open round table dialogue with President Kwaśniewski.

Some of the papers included here are just as they were written before our collective deliberations. Others have been revised, expanded, and even modified, both in the light of our discussion and with the benefit of subsequent knowledge. After all, in mid-December 2000 it was still not entirely clear who would emerge as the next President of the USA. Nor was the severity of the downturn in world financial markets yet apparent. The results of the EU's Nice summit were only barely being digested.

This commentary is written four months later, and takes into account both how some authors reacted to what they heard, and how transatlantic relations are beginning to seem in the early months of the Bush administration. Europeans are expressing growing alarm at what they see as the unilateralism of America's new leadership, and its apparent disregard for previously agreed positions, coupled with its alleged neglect in consulting allies before embarking on new directions. But although some commentators may have been interpreting this as a seismic shift in transatlantic relations, the mainstream view is probably still that these represent normal adjustment tensions, only to be expected while a new team is settling in. The second perspective is closer to my own personal interpretation which appears elsewhere in this volume. This commentary is a reflection on the collective views that emerged from Warsaw's Royal Castle.

The transatlantic relationship was assessed under four main headings: security, economics, high politics, and culture/values. The first two were mainly concerned with "hard" interest-based considerations, and the last two involved more explicit considerations, or "soft" or discursive aspects of the relationship. But all participants recognized that even the hardest interests at stake were to some extent malleable and subject to reinterpretation. Likewise the discursive and persuasive components were invariably rooted in very solid and constraining structures of decision-making and collective identity. The fact that all participants accepted these interconnections, and that all shared a fairly consensual view about the major historical processes in play, meant that we were all talking a common language – not just English, but also the language of cosmopolitanism and interdisciplinarity. Talking a common language is, of course, quite different from issuing a joint communiqué, and it must be apparent to any reader that our discussions uncovered some substantial divergence of view.

Starting with the security component of the transatlantic relationship, we were all in our different ways trying to specify how the ending of the Cold War had changed the terms of the analysis. One of the most thought-provoking contributions came from L. Pastusiak, the MP and Deputy Chairman of the Foreign Affairs Committee of the Polish (Sejm), who argued that rather than the "end of history" the dismantling of the Berlin Wall had brought a "return of history" (i.e. a lifting of the artificial paralysis created by bipolarity). This self-evidently central European interpretation

was confirmed by our Ukrainian contributor (T. Levytsky), and it led to some quite precise and cogently argued views about Russia, and the dangers to transatlantic harmony arising from the recent western stance towards that Eurasian (but never Atlantic) ruin of a Great Power. Here the analysis was focused not just on security in its narrow technical sense, but on the historic and geopolitical conundrum posed by that vast, resource rich, but dysfunctional and in many ways deviant continent-nation to the east. This is, of course, a conundrum that has overshadowed Poland ever since the rise of Muscovy. Viewed from Warsaw it is difficult to think of Russia as just another “emerging market”, or as a permanently defeated (and presumably penitent) former rival. As the EU expands eastwards the “security” issues arising from developments in Moscow (and Kiev and Minsk) are more likely to be perceived in grand historical and geopolitical terms. But what Russia threatens (or promises) to Europe is different from the problems it poses to Washington (let alone to say Los Angeles). So transatlantic perceptions of “security” in general, and of the “Russian problem” in particular are unlikely to be fully coordinated – as may become apparent in November 2002 when the next NATO summit considers admission of the Baltic republics. Some discordance of view already shows up in relation to Comprehensive Test Ban Treaty, the Missile Defence shield, and with regard to Chechnya. L. Pastusiak’s paper reminds us why divergences are inherent in a looser post-Cold War transatlantic alliance. His reference to Poland as a hypothetical American “trojan horse” in Europe is also revealing. (I asked – from a British standpoint – why he thought the US needed yet another trojan horse).

The broader point is that, except perhaps in moments of exceptional crisis and imminent threat, the management of security issues is mostly about the management of perceptions. And although (contrary to some post-modernists) I accept that social perceptions are always both fashioned and corrected by experience (I would even add “reality”), the security realities experienced by different parts of the transatlantic partnership are far from convergent in the post-Berlin Wall era. The “revolution in military affairs” that has captured the imagination of Eric Allard and many other US military analysts seems much less compelling to many Europeans confronted with the distinctly old-fashioned problems of ground forces in the Balkans. Adam Rot-

feld offered an expert synthesis from the European point of view which also drew attention to the important role played by Europe's "neutrals" in the expanding realm of international "peace keeping". But viewed from the perspective of Washington this is a side show compared to the long-term transformation of the security agenda that necessarily follows from the headlong advance of military technology. Europeans may regard the ABM treaty as a binding legal commitment, for example, but Pentagon analysts are more inclined to argue that it has been rendered obsolete by the emergence of new weaponry and new sources of security threat. The gulf between these two perceptions extends well beyond the specialists, and is reflected in quite contrasting public attitudes towards security and defence issues.

Of course once we talk about "perceptions" we have to recognize that there are many contrasting views within the various atlantic policy elites, from Poland to the USA. In contrast to conventional security studies the analytical unit cease to be territorial. No doubt Z. Brzeziński shares more of an understanding of Russia with L. Pastusiak than with G. Bush or A. Greenspan. Perceptions of the Russian issue are of course similarly differentiated within Poland, within Central Europe, within the EU, and within NATO. The West has lost its former "meta-narrative" about the Soviet problem, (including about the place of the security threat from Moscow in comparison to other strands of the relationship).

But although in the security arena the logic of hard necessity may have been displaced by more subjective considerations, perhaps objective interests have become more relentless and decisive in the economic realm? This may be a popular assumption in some of the literature about globalization, but it is not the way either Alberta Sbragia or Joseph Bigio analyse the economics of euro-American relations in the current period. Alberta Sbragia makes a strong distinction between trade and investment. She argues that whereas trade is impersonal, foreign direct investment is "personal". She points out that European investors in the US become constituents of members of Congress, while trade unions negotiate with them and governors and majors court them. She regards two way FDI flows as the new core of the Euro-American economic relationship, and believes that this investment-led interdependence differentiates transatlantic interactions from their transpacific counterparts (which she sees as much

more trade-based). Joseph Bigio also stresses the interdependence of the two regions, this time viewed from the perspective of their monetary systems. He views the Federal Reserve and the European Central Bank as condemned to co-operate in the management of potentially unstable international monetary system, and (again reflecting a constructivist rather than a reductionist view) he interprets international competition as a dynamic process of discovery, leading to the intensification of economic specialization and interdependence.

These are two powerful contributions on the economics of the transatlantic partnership. But they by no means reflect a consensus view. Some view trade liberalization and monetary co-ordination as forces for international co-operation quite as powerful as investment flows. Prevailing orthodoxy is still relatively and mainstream views still stress the scope for conflict between competing state-backed economic interests, whether in the field of air transport, banana trading, bank bail-outs defence procurement, air transport, or banana trading. For example, the US Congress and its European counterparts still tend to view foreign investors as corporate entities which must learn to conform to national laws and regulations. Alberta Sbragia's observation that President Bush must convince the European Commission if he wants to liberate US businessmen from anti-trust regulations is confirmed by the Time Warner/EMI example. But it remains to be seen how readily this new reality will be accepted by the new administration. A number of sensitive decisions are pending in the defence and information technology sectors (e.g. concerning General Electric's proposed takeover of Honeywell. ASM Lithography's takeover the Silicon Valley Group, and anti-trust investigations of Intel and Microsoft). Preliminary indications are that the new Bush appointees are likely to adopt a hands-off approach to competition policy that could be quite at variance with that of their Clinton administration predecessors, and therefore much more likely to conflict with rulings by EU Competition Commissioner Mario Monti. There is an inherent clash of jurisdictional authority here, which may be aggravated by institutional contrasts between the two legal regimes. The Commission has more leeway than its US counterparts to attach conditions to merger approvals, and some of its tests for market dominance are more restrictive than those applied in the US. At root the difference is that in Europe the main defence against monopolistic

practices comes from regulatory authority whereas in the US there is much more reliance on civil suits by competitors and customers as the key source of legal redress. Monetary analysts often point out that each central bank is mandated to deliver certain results (mainly low inflation) within its own jurisdiction, only considering the broader international ramifications of its actions to the extent that they produce a domestic feed back. Under Alan Greenspan's leadership, and taking into account the requirements of the Humphrey Hawkins Act, the Federal Reserve is currently pursuing a highly active policy of monetary management, including large changes in short term interest rates that are announced unexpectedly between formal meetings of the board. In contrast, the European Central Bank is much more narrowly focused on hitting its inflation target, and is proceeding in a far more cautious and reactive manner in part because of its need to build up a "credibility" that is not initially granted to it. Such differences of style and procedure further complicate the task of transatlantic monetary co-ordination.

More generally, Washington can probably still rally around a "meta-narrative" about how the international economy should be managed and reshaped (although a severe economic downturn could destroy that self-confidence). What these two papers suggest is that the Europeans may find it increasingly difficult to endorse that meta-narrative, in part because it threatens their efforts at integration, but more profoundly because it cannot be reconciled with economic realities as they perceive them.

Here I would interpose a reflection of my own. Observing recent debates on economic policy in Brazil I have repeatedly been struck by the observation that Brazilian policymakers are so caught up with their own internal commitments and disagreements that they have difficulty in perceiving their country's relatively minor role in the world. If adjustment has to occur, they expect the rest of the world to adjust to Brazil's requirements, rather than *vice versa*. If this is so of Brazil, how much more tempting is it for the US to operate along the same principles? After all, post-war history has repeatedly demonstrated the extent to which the rest of the world can be coaxed into adjusting to US demands. The history of Japan's exchange policy is perhaps particularly eloquent in this regard). But the European Union is now increasingly well placed to adopt a parallel stance. It thinks it can require the rest of the world to adjust to its internal requirements

as regards agricultural subsidies, social regulation, and monetary integration. So, in the economic realm, the key question for the transatlantic relationship is whether the US can still remould Europe in accordance with its philosophy, or whether a better integrated and more intractable Europe can impose reciprocal adjustments on the US, or (third possibility) whether the attempt of each to strong-arm the other would lead to stalemate and non-cooperation. Our two economic contributors seem disposed to believe that eventually the logic of shared interdependence must prevail. But even if their optimism is borne out in the long run, we face a relative immediate and pressing problem of transatlantic governance.

So what are the prospects for co-operation (or conflict) in the political realm? It is difficult to separate this long run question from short run reactions to the recent transition from Clinton to Bush in the White House, and the associated grinding of transatlantic gears on such issues as defence co-operation, trade liberalization, and global warming. On the European side political leadership is also subject to possible short term change as a result of various prospective national elections and the institutional restructuring of the EU to cope with enlargement. There is obviously a good deal of "noise" in the system, but hopefully we can abstract from that, and identify some longer term political realities that will shape transatlantic governance beyond the tenure of individual politicians. It seems to me that the US Constitution, written at the end of the eighteenth century as an effort to create an impersonal system of government that would last forever and not be subject to the aristocracy and corruption of the Old World, is very ill-adopted to the requirements of global governance, which necessarily involve co-responsibility and the pooling of sovereignty. It is difficult to see how this foundational document could be reformed or reinterpreted to permit any major kind of external over-ride or supranational authority. By contrast the EU has, of course, been constructed, (out of the ruins caused by European nationalism) precisely on the basis that sovereignty can be pooled and supranational authority must be constructed. But even before the Bush administration came to office American policymakers were expressing mounting frustration and perplexity at the rigidity and inaccessibility of the EU's decision-making procedures. The Nice Summit failed to make any headway in simplifying the bureaucratic structure which if anything becomes

more Byzantine with each reform. Even if a businesslike EU constitution was to emerge from the next round of negotiations in 2004 (which is most unlikely) a deeper problem of transatlantic co-ordination would still persist. What kind of transatlantic political co-operation can be institutionalized taking into account this profound caesura in the West's dialogue over the ultimate locus of political authority? Perhaps Europeans suppose that in the long run the US will simply have to come round to their way of seeing international co-decision-making. If so, they may have failed to grasp the structure of the US political system. Perhaps Washington supposes that however the European reshuffle their quaint and impermanent political institutions the result will signify nothing as far as government of the USA is concerned. Washington may even believe that either the EU will fall into line, or it will fall apart. This is what the repudiation of Kyoto and the advocacy of missile defence seems to be telling us. With the exception of Alberta Sbragia, the US participants in our discussions were essentially concerned with explaining US political realities to the Europeans, not with questioning their own system in the light of external developments. (This normal tendency was probably accentuated by our interactions with Daniel Vernet, the lucid and good-tempered international analyst from *Le Monde*, who nevertheless found himself assuming the traditional role of the French standard-bearer of a critical view of "Americanisation", to which it seemed the rest of us had all to a greater or lesser degree fallen prey). The result may have been to distract attention from the deepest sources of tension in the transatlantic relationship, which are arguably neither economic nor security based, but which arise from profoundly different unspoken assumptions about the basis of political order.

So, finally, we arrive at the subject of transatlantic culture/values. My own contribution staked out a broadly "liberal internationalist" interpretation, highlighting the respects in which Europe and North America had stabilized their relationship on the basis of certain basic and essentially shared values. This was written without foreknowledge that Manfred Knapp would present a paper on the durability of US hegemony, essentially viewing this in functionalist rather than culturalist terms; or that Wolf Grabendorff would argue the opposing case, highlighting the contrast between America's embrace of "the market" and Europe's attachment to "the state". On reflection, and com-

paring my paper with theirs, it seems that my British origins may have coloured my judgement, leading me to stress convergencies of value where they detect either hegemony or conflict. If Europe is indeed wedded to “the state” and distrustful of “the market”, then of course, Britain is *très peu communautaire*. Where Europe subsidises culture, we simply trade on our Anglophone advantages., The British reaction to US “hegemony” is less resentful, perhaps because it is easier for us to feel an element of co-ownership in it. But setting aside the eccentricities of my own foggy offshore island, is this characterization of continental Europe entirely convincing? It could be argued that just as many French and German directors and filmstars have graduated to Hollywood as have their British counterparts. It could be argued that there is more of a social embeddedness of “the state” in the USA than in say, Italy or Spain. And it could be argued that Europe as a whole (now including the Visegrad Four) feel a sense of co-ownership in the success of “the west” that is in no way confined to a narrow Anglo-American elite. Even the European Union can be viewed as something of a back-handed compliment to the USA (an attempt to imitate some of America’s virtues, both in the economic realm and with regard to the juridification of rules across a continental land mass), rather than a challenge. Washington has always supported some form of European integration (even if it has expressed unease about particular variants of the process), and in world affairs it is possible to view the EU as a partner and reinforcement as much as a rival. Certainly a standard perspective from outside the OECD is that those on the inside share many advantages and commonalities of view, rather than that they are riven by irreconcilable divisions. By mentioning the OECD I have cast the net wide to include Japan, South Korea, and Turkey, but of course if we are interested in shared values/culture it is the transatlantic core of the OECD that counts for most. Here the commonalities outweigh the contrasts to a higher degree.

This commentary set out to review some of the major issues covered in our two days of discussion in Warsaw. Readers can weigh for themselves the merits of the alternative interpretations. This commentary is not intended to vindicate some, and refute others. What it has tried to suggest is that in the post-Cold War setting the cohesion (or otherwise) of transatlantic relations will be an artifact of social construction, a product of persuasion and

negotiation, rather than a consequence of strictly objective necessities (either strategic or economic). On a constructivist view several rival interpretations may have some inherent plausibility. Which one prevails may be decided by political skill and institutional creativity (or indeed, as Machiavelli proposed, by a combination of “virtù” and “fortuna”). This way of thinking about the future of the EU-US relationship denies reductionism. Even economic and security relations contain an interpretivist component, and both are embedded in a long political history which can be reinterpreted to various normative perspectives.

Of course the standard objection to the interpretivist perspective is that it can be adapted to account for almost any outcome, and therefore serves to explain nothing. To counter this criticism, it needs to include some explicit recognition of the way unfolding realities feed back into the process of interpretation. The unfolding realities likely to shape the perceptions of transatlantic policy-makers in coming decades could well include some fairly harsh taskmasters, such as cybercrime, global warming, mounting pressures for international migration, and so forth. In general terms it seems likely that the principal challenges may well take the form of new problems which can only be tackled through reinforced international co-operation, active negotiations, and collective diplomacy. Even in the security field these may not be susceptible to simple state national interest conceptualizations. They will often involve too much interdependence and co-responsibility to be handled through unilateral displays of national leadership (or “hegemony”). My suggestion for the post-Cold War period is that a liberal internationalist perspective still has considerable momentum behind it, and is more likely to prevail than some of the more traditional and “realist” alternatives.