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# Reflections on the "Transatlantic Partnership" after Nice and Tallahassee

When this conference was first planned, in the summer of 2000, none of us could have foreseen how the US election would turn out. It seemed a safe assumption that a new administration in Washington would be preparing for at least four years of global leadership, and would be negotiating its foreign policy priorities with a reinvigorated Congress. It also seemed reasonably likely that the European Union would be responding to this clarified panorama with a new push for both "widening" and "deepening" the Union, with for staking out its ambitions as a more equal partner of the world's one unquestionably global power. With luck the euro would be regaining some credibility vis-à-vis the dollar, and the two regions would be coming into better balance as sources of economic dynamism and innovation. Energy prices would be subsiding, the Middle East would be advancing towards a durable peace settlement, and a timetable would be set for eastern enlargement both of the Union and of NATO.

In mid-winter the panorama seems less inviting. It is not that all these aspirations have been demonstrably thwarted-only the level of uncertainty has risen, and the events have thrown up some larger than expected obstacles to an effective co-ordination of all these hopes. Perhaps with a bit more effort all round, and the passage of another season or two, last summer's prospects will be revived once more. Nevertheless, for now the conjuncture is confusing and discouraging. The bitter and polarized electoral outcome in the US threatens to cast a long shadow. The debacle over climate warming, and the gridlock at Nice add to the anxieties.

No doubt we will carry out a careful assessment of the present conjuncture during our discussions, but that should be set in a longer term perspective. Whatever the immediate stumbling blocks or distractions may be, the future of North America – European relations will be shaped largely by long-term interests and commitments, and by cumulatively relentless structural tendencies. (I interpret North America broadly, to include Canada and Mexico, and similarly of course Europe should be taken to

include all prospective as well as current members of the EU). There are four general headings under which we might consider the longer-term dynamics of this relationship: i) its existing strengths; ii) its potential; iii) the tensions; iv) the challenges.

### Strengths

Taking both regions together, they contain a very high proportion of the prosperous, technically advanced, and securely democratic population of the globe. Both are also in a phase of expansion, reinforcing these attributes in the poorer and more peripheral parts of each region. The combined strength is military decisive, in addition to its economic and political solidity. Between them they supply essential underpinnings to an emerging system of global governance, which embraces both the economic and the political dimensions. They share some fundamental historical and cultural common ground, some key institutional characteristics (e.g. the rule of law, freedom of association, the division of powers) and some consensual liberal values. The Cold War and its aftermath gave them a sense of joint strategic interests.

#### **Potential**

Looking to the future, there is great potential for further expansion and consolidation of the joint interests of the two partners not only in the realms of economic exchange and security co-operation, but also with regard to the entrenchment of shared liberal values. This potential may be particularly evidence in certain well-defined regional initiatives (the Free Trade Area of the Americas, the enlarged European Union, an expanded NATO, the OSCE). But it exists also at the global level. The WTO, having just admitted Croatia, now has 140 members, and will probably soon add both China and Taiwan. The United Nations system, freed from the shackles of the Cold War, has the potential to be more effective and to take on further responsibilities. The international setting for such enhanced co-operation is probably more favourable than at almost any previous period over the past century. On the security side, the big block confrontations of the past seem unlikely to reappear any time soon. (Even the two Koreas are beginning to explore the scope for peaceful co-operation!) In the economic realm, the volume of world trade expanded 10% this year, and is expect to grow by 6-7% p.a. for the next several years—this at the end of a decade of globalization—driven expansion with price stability. There are also powerful and evident spurs to enhanced co-operation arising from the growing salience of new international problems that can only be addressed by international agreement (global warming, mounting flows both of refugees and of economic migrants, new dangers to public health, etc.). In principle an enhanced transatlantic partnership offers the best hope for realizing this potential and for managing these dangers.

#### **Tensions**

However, in practice efforts to realise this potential will have to overcome considerable tensions. A few random headlines may illustrate the difficulties. On December 5th 2000 US Defence Secretary Cohen warned that unless handled carefully the proposal European Rapid Reaction Force could reduce NATO to a "relic". By comparison two months earlier Dr Brzezinski had warned the Hungarian parliament that the timetable for EU enlargement was in danger of slipping beyond 2005, whereas in his opinion any new US administration ought to consider extending NATO membership to more east European nations (perhaps including not only the Baltic Republics, but even the Ukraine) in 2002. Even though the EU Commission must have realised that the outcome of the latest US elections will make it extremely difficult for any future US administration to secure adequate domestic support for further economic liberalization laws, it still seems reluctant to back away form the EU's longstanding desire to push ahead with a "comprehensive" millennium round of WTO negotiations that would add a huge array of contentious items to an already overloaded agenda. On the monetary front the euro continues gravely to disappoint those who saw it as a long run alternative to the dollar as a world currency, although some think the scale of the US current account deficit foreshadows an abrupt reversal of fortunes soon. The undignified procedure by which the Europeans filled "their" position as Managing Director of the IMF earlier this year underscores the tensions here. Then there is the awkward reality that Washington is most unlikely to endorse the proposed International Criminal Court (given its supra-national pretentions); and that between them the EU and the US have just failed to agree on a protocol to limit greenhouse gas emissions in accordance with the Kyto Protocol.

All of these tensions (and others not listed here) will need to be evaluated from a long-term perspective and not merely on the basis of such headlines and soundbites. The underlying issue appears to be the long-term future of US leadership. At least for now the mood music indicates that there is at present considerable scope for disharmony in the Transatlantic concert of nations.

## Challenges

If these tensions are managed creatively the transatlantic partners are well placed to fulfill their potential. The external challenges they face are of course complex and testing. But they are not (with the possible exception of environmental degradation) exceptionally intractable. The prosperous liberal democracies of North America and West-Central Europe possess most of the resources, capabilities, and innovative skills both to promote their shared interests, and to provide the opportunities and incentives needed for the rest of the world to join them in their collective endeavours. The biggest obstacles to such achievements may arise from within, rather than from without. In the absence of a unifying "clear and present danger" transatlantic leaders are liable to find it difficult to harmonize and prioritize their objectives, to agree on acceptable burden-sharing formulae, to empower appropriate international institutions, and to carry their diverse public opinions in all of this. Much fashionable theorizing about "problems of collective action" would benefit from a more practical engagement with the interconnected difficulties arising here. Problems of legitimacy, hegemony, and inter-generational equity can all be thrown into sharp relief by an empirically grounded analyses of these challenges. This is the way to make social science earn its keep.

In conclusion: A view From the Periphery

As mentioned at the outset, North America should now be defined to include Mexico and the European Union may soon extend to the River Bug, and perhaps even the delta of the Danube. Mexico and Turkey members of the OECD. So on both sides of the partnership the centre of gravity is shifting away from the Atlantic coast, and a geographically wider and socially far more diverse range of interests will have to be accommodated. Problems of democratization and uneven development, that were once distant and external, are becoming urgent and internal throughout the transatlantic partnership looking to the future, therefore, it can be instructive to adapt a view from the periphery. For example, Poland and Mexico both share some important characteristics that differentiate them from the old established power centres of the Atlantic Alliance, and that might even help them find some common ground in reshaping a more pluralist and multipronged partnership. They both have good reasons to value an international rule of law, since they both experienced the fate of the weak in a world dominated by the strong. They both want to "join" pre-established democratic communities, but they are both too large, complex, and proud simply to embrace all conditions laid down for them from without. They bring new voices to the table on old issues that the Atlantic Alliance has failed to tackle for too long: agricultural protectionism; the fate of peasant farmers; the link between commercial liberalization and labour migration; co-responsibility for the control of transnational crime. They also face long-term processes of technological catch-up; the legislation of fragile institutions; and the rectification of severe social inequalities – all "problems of development" that have not always treated with great empathy by the old Atlantic powers, but that will demand a more sensitive treatment if the partnership is to flourish in the future.