

# Mostly sunny, partly cloudy

## *The transatlantic forecast for the next four years*

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U.S.-European relations have been fundamentally strong for many decades, but they have also had their ups and downs over the years. The last decade alone has seen substantial swings in the transatlantic relationship. What can we expect for the next four years?

In the aftermath of the terrorist attacks of September 11, 2001, America's European allies rallied around the United States in a strong united front. NATO's members invoked the alliance's Article V collective defense provision for the first time in the alliance's history. Unfortunately, the pendulum of transatlantic relations began to swing in a less harmonious direction soon thereafter. The George W. Bush administration declined European offers to help go after Al Qaeda, preferring to go it alone in Afghanistan (at least at first). The Bush administration's decision to invade Iraq in 2003 generated even more turmoil in transatlantic relations, with some European governments supporting the action and others displaying less enthusiasm. Many in Europe became dismayed by the Bush administration's handling of what it called the global war on terrorism: the administration's use of enhanced interrogation (torture) and extraordinary rendition (kidnapping), its disregard for habeas corpus, the military prison at Guantanamo Bay, and secret prisons around the world were not consistent with many European (and American) conceptions of due process and human rights. By the end of the Bush administration, U.S.-European relations had reached a post-Cold War low.

Enter Barack Obama. It is unusual for one person to have an impact on something as deep and complex as U.S.-European

relations, but it is fair to say that Barack Obama has made a significant difference. In July 2008, candidate Obama drew one of the largest crowds of his presidential campaign, and it happened in Europe. Speaking in Berlin in front of an enthusiastic crowd estimated at 200,000 people, Obama called for united action against terrorism and other global challenges. Global progress, he said, "requires allies who will listen to each other, learn from each other, and most of all trust each other." This was music to Europe's multilateralist ears. Obama's approval rating in Europe stood at 85-90% in 2008 (compared to 20% for Bush). Most Europeans were overjoyed when Obama was elected to the presidency in November 2008.

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granted*

The last four years have been very good ones for U.S.-European relations, on the whole. President Obama issued an executive order that banned "enhanced interrogation." The United States and its allies ended their military

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operations in Iraq, and they established a timetable for drawing down their combat forces in Afghanistan. U.S. military forces carried out a bold attack that led to the death of Al Qaeda leader Osama bin Laden in May 2011. U.S. and European leaders have worked together closely and reasonably well to avoid a global economic meltdown. At the same time, President Obama was unsuccessful in closing the military prison at Guantanamo Bay. He has dramatically increased the use of unmanned drone attacks in Pakistan, Afghanistan, and elsewhere, which has raised ethical and legal questions on both sides of the Atlantic.

Although U.S.-European relations are far from perfect, they have been very strong over the past four years. This is reflected in President Obama's approval ratings in Europe, which have declined only slightly to 75-80%. Most elected officials would be elated by these numbers.

The next four years are likely to be a continuation of this positive trend. The fundamentals of U.S.-European relations are strong. Both the United States and Europe are likely to be pre-occupied with internal challenges — economic and political. They will also have to contend with an array of international challenges that are likely to be on the agenda, but American and European leaders are unlikely to disagree

sharply on these issues.

At the same time, there are several clouds on the transatlantic horizon: Europe's continuing economic and governance crisis; Europe's declining ability to project military power; and Washington's "pivot" toward Asia. In addition, there is the always-demanding inbox of international crises and tests. Most of the time these are manageable challenges, but successful handling of these issues will require strategic vision, a long-term perspective, and political determination.

### The fundamentals are strong

The fundamentals of U.S.-European relations have been strong for decades. They were strong enough to weather the tensions generated by the George W. Bush administration, and they are likely to endure not just for the next four years but for the foreseeable future. It is easy to take these fundamentals for granted. They are broad, deep, powerful, and enduring, and they deserve a mention.

First, the United States and the member-states of NATO and the European Union have many common values. Americans and Europeans have deep, common commitments to human rights, the rule of law, democracy, and free markets. The

President Barack Obama delivers his first major speech, in 2009 in Prague. Obama's approval rating in Europe stood at 85-90% in 2008, compared to 20% for Bush. Most Europeans were overjoyed when Obama was elected to the presidency in 2008, and since that moment his approval ratings in Europe have only slightly declined (photo: White House/Pete Souza)

United States and the member-states of NATO and the European Union do a pretty good job of living up to these values — most of the time.

Second, the United States and most European countries have common strategic interests, and they face common strategic challenges. There is broad transatlantic agreement

*The Eurozone crisis is a matter of immediate, almost existential importance*

on the keys to continued international order, stability, and peace. There is also a great deal of agreement on the main threats to international order. In the near term, the challenges include turmoil in the Arab world, terrorism and violent extremism,

Israeli-Palestinian relations, Iran's nuclear program, Russia's growing authoritarianism, Pakistan's instability, and China's maritime behavior. In the longer term, the challenges include the rise of China and other powers, the continuing proliferation of nuclear weapons, the importance of effective engagement with the Islamic world, growing energy demands and climate change, and the need to empower women and girls around the world.

Third, American and European leaders agree that international challenges require international cooperation and multilateral action. They recognize that very few global or transnational challenges can be solved effectively by any one power acting on its own. Every American president says that he understands the importance of allies and multilateral action, but most U.S. presidents have strong unilateralist impulses. President George W. Bush is often singled out in this regard, but he was far from alone. President Obama, perhaps more than other recent American presidents, understands the need for joint international action. His embrace of multilateralism isn't just rhetorical; it seems to be genuine. Today, U.S. and European leaders share this strategic outlook.

Fourth, the United States and Europe continue to be very formidable global powers. Together, the U.S. and the European Union comprise 54% of the global economy, and they have deep economic ties. The United States and its NATO allies account for approximately 70% of global military spending, and they have unmatched power-projection capabilities. The United States is responsible for much of

this spending and most of these capabilities, but America's allies have contributed important capabilities and many lives in Iraq, Afghanistan, and other joint combat operations. These transatlantic capabilities and ties — economic and military — are part of the bedrock of the strong transatlantic relationship.

### Clouds on the horizon

Although the fundamentals of U.S.-European relations are strong, American and European leaders will face an array of internal and external policy challenges over the next four years. On both sides of the Atlantic, policymakers will inevitably devote much of their time and energy to immediate, internal policy problems. In addition, several longer-term challenges are looming.

The first challenge is internal: On both sides of the Atlantic, leaders have to effectively address some very serious fiscal, economic, and governance challenges. The United States needs to continue climbing out of an economic recession, reduce unemployment, strengthen manufacturing, tackle mounting health care and retirement expenditures, reduce the federal deficit, and cut the federal debt — now \$16 trillion. At the same time, the United States needs to make more investments in the fundamentals of national power — infrastructure, education, research and development. A polarized Congress will not make this easy. This will not turn most Americans into isolationists, but it will “change our mood, and make us pickier about where we'll get involved”, as Thomas Friedman of the *New York Times* put it.

In Europe, the resolution of the Eurozone crisis is a matter of immediate, almost existential importance. European leaders will naturally be focused on Europe's problems in 2013 and perhaps for many years to come. These problems include fiscal insolvency in Greece, staggering unemployment in Spain, financial fragility in many institutions and countries, pulling out of economic recession, and the long-term challenge of bringing welfare state commitments in line with fiscal and economic realities. In addition, many European countries will have to deal with the social consequences of budget cuts. Protests, like the ones seen in late 2012, are likely to continue and may intensify. At the same time, the EU faces continuing internal governance challenges. The crisis has highlighted Europe's lack of political cohesion and the EU's inadequate institutional structures.

As a result, Europe's response to the crisis has been slow and at times incoherent. European leaders have been muddling through for the past couple of years.



Unfortunately, this is unlikely to change in the near future. Although one may hope for a grand strategy and a grand bargain to materialize, muddling through is more likely and it may ultimately be adequate. But if Europe's leaders fail and Europe collapses economically and politically, it will be catastrophic for Europe, the United States, transatlantic relations, and the world as a whole. The one issue that could substantially disrupt U.S.-European relations over the next four years would be an economic collapse in Europe or the collapse of the EU itself.

The second challenge is that European leaders must decide if they are going to make the investments in military capabilities that will be necessary if Europe is to continue as global military power. European defense spending has gradually declined over the years and in the wake of the Euro crisis more defense spending cuts are being enacted. According to the Stockholm International Peace Research Institute (SIPRI), in 2010 only 5 out of the 26 European NATO members achieved the Alliance's 2% spending target — France, Greece, Portugal, Turkey, and the UK. Total EU defense spending declined from \$289 billion in 2008 to \$271 billion in 2011. U.S. Defense Secretary Robert Gates warned the European allies in 2011 that America's 75% share in NATO defense spending was unsustainable and that,

unless allies started to bear more of the burden, NATO would risk "collective military irrelevance". In addition, much of Europe's military spending generates little in the way of actual military capabilities. As the intervention in Libya in 2011 showed, many European countries lack significant power-projection capabilities. Fighter aircraft, aerial refueling, aerial intelligence assets, missiles, and other ordnance were in short supply in European arsenals.

Unfortunately, the shortcomings revealed by the Libyan intervention have not galvanized European governments to reverse recent trends and expand their investments in military capabilities. NATO leaders have argued that its Smart Defense strategy will emphasize more pooling and sharing of assets. "Pooling and sharing" is unlikely to be an adequate substitute for "buying and building" actual power-projection capabilities.

If the huge gap in U.S. and European military capabilities continues or grows, America's long-standing complaints about European burden-sharing may reach a tipping point. If Europe continues on its current path, it will become increasingly incapable of contributing to international military actions and the United States will increasingly discount Europe as a global partner in the international



security arena. It will not be easy for European leaders to make additional investments in military capabilities when they face other economic and fiscal challenges, but they must face up to this issue or Europe will face long-term geostrategic decline.

A third and related challenge is that one of the main mechanisms of transatlantic engagement - NATO - doesn't attract much public attention or support in either the United States or Europe. Many Europeans see NATO as a relic of the Cold War, and they question Europe's involvement in Afghanistan. EU leaders have a hard time convincing their publics that engagement beyond Europe's borders and investments in defense capabilities are not luxuries but preconditions for defending the European *acquis* and Europe's role and standing in the world. Many Americans see its European allies as free-riders when it comes to military burden-sharing. Even in Washington, D.C., many American leaders do not appreciate the political, economic, and security assets that Europe, the EU and NATO bring to the table. European policy makers need to bring greater policy coherence to their defense and foreign affairs efforts. They should start by revisiting the European Security Strategy of 2003 — now long due for review. What commitments are Europeans willing to make with respect to peace and security in their

neighborhood, and what role does Europe want to play in the international system? European leaders would do well to engage European publics on these issues. Only then will they be able to mobilize public support for international engagement.

The fourth challenge is that the Obama administration's grand strategy for the future features a "pivot" toward Asia and a "rebalancing" of military forces toward Asia. Specifically, the idea is to pivot away from the wars in Iraq and Afghanistan that have preoccupied the United States for the past decade, and focus more on the rise of Asia that will shape the world in the decades ahead. The pivot also includes a rebalancing of U.S. naval forces: for years, the United States has deployed 50% of its naval forces in the Pacific and 50% in the Atlantic; in the future, the balance will be 60% in the Pacific and 40% in the Atlantic. This new strategy was rolled out in late 2011, and it will undoubtedly be the guiding strategy framework for U.S. policy in President Obama's second term.

This does not mean that the United States is turning completely away from Europe. The reduction in U.S. naval forces in the Atlantic is unlikely to have an impact on European security. U.S. leaders have been careful to be

The Brooklyn Bridge in New York city under a partly sunny, partly cloudy sky. Although the fundamentals of the relationship are strong, there are several clouds on the transatlantic horizon (photo: Wikimedia/Suiseiseki)

## Analysis

reassuring about America's continuing commitment Europe. U.S. Secretary of State Hillary Clinton emphasized in February 2012 that "Europe is and remains America's partner of first resort". She went on to stress that that "the transatlantic community has never been more closely aligned in confronting the challenges of a complex, dangerous, and fast-changing world". At the May 2012 NATO summit in Chicago, President Obama emphasized that "Europe remains the cornerstone of our engagement with the world".

Even so, there is no doubt that the United States will place greater emphasis on Asia over the next four years and for many years to come. This will include greater attention to issues such as China's claims to islands in the South China Sea and the East China Sea, China's military and naval build-up, maintaining open sea lanes for commerce, maintaining close relations with allies and other friendly powers in the region, and promoting stability in East, Southeast, and South Asia more generally. Europe could and should be an able partner in this effort, but that will depend mainly on European decisions in the years ahead.

#### The inbox is full: the forecast is mixed

All of these formidable challenges will have to be addressed in conjunction with an international arena that will be exceptionally active. In an ideal world, American and European leaders would be able to focus all of their time and energy on the enormous internal problems they face and the long-term strategic challenges they must address. In the real world, they will not have that luxury.

In 2013, American and European leaders will have to deal with continuing problems in the Arab world, including the civil war in Syria, the possibility of more Israeli-Palestinian confrontations, stabilization in Libya, the evolution of the new government in Egypt, continued turmoil in Yemen, and the possibility that instability could spread to Jordan and other countries. The future of Iran's nuclear program will probably reach a decision point in the Spring or Summer of 2013. American and European leaders will also have to develop and implement their plans for a drawdown of their military forces in Afghanistan as the year unfolds.

Other international challenges abound: Pakistan has a growing nuclear arsenal and growing internal stability problems. North Korea has growing nuclear capabilities and a new, inexperienced leader. China has a new leader; Japan and South Korea will have new leaders in 2013 as well. Russia does not have a new leader, but it may present new problems for its neighbors.

Together the United States and Europe have a broad array of capabilities to bring to bear on these international and regional problems. Unfortunately, and despite the strong strategic alignment that currently exists between American and European leaders, there is no guarantee that the United States and Europe will be able to make great progress over the next four years on these international problems.

Their first and overriding priority has to be addressing their internal problems. Preventing worst-case scenarios from happening is mandatory. This will consume much and perhaps most of the policymaking energy that is available.

Whether European leaders can achieve greater coherence in EU policies, prompt greater action by EU member states, and rekindle popular support among European citizens remains to be seen. But, without greater political unity and action on the European side, transatlantic relations will face a cloudy future.

In sum, internal preoccupations, asymmetric power-projection capabilities, and shifting geostrategic outlooks may prevent the United States and Europe from taking full advantage of their opportunities to tackle immediate international challenges and shape the international system in the 21<sup>st</sup> century. One of the barometers of transatlantic relations in the years ahead will be the extent to which the United States and Europe work together, not just in NATO, but in a wider array of international institutions on a wide array of global issues. It will require strategic vision, a long-term perspective, and political determination. Political leaders are capable of long-term thinking and political will, but this is not guaranteed.

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