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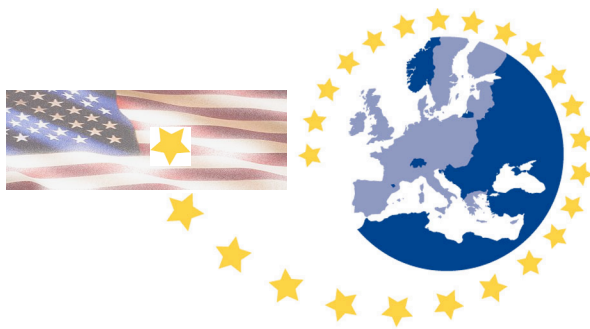
Young Leaders Study Group on “The Future of Europe: Perspectives for European Integration”

Third Conference

“The United States, Europe, and the Transatlantic Relationship“

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**CONFERENCE
REPORT**



***The United States, Europe, and
the Transatlantic Relationship***

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Introduction

After two meetings in Europe, in Germany and Poland respectively, the **Young Leaders Study Group on the Future of Europe** convened on American soil in November 2004, and continued its tradition of meeting in interesting places at interesting times. The spring 2004 meeting was held in Warsaw and Krakow barely four weeks prior to the accession of ten new member states, most of them former communist countries in Central and Eastern Europe, to the European Union (EU). The conference in Washington, D.C., took place just two weeks after the 2004 Presidential election. While the earlier meeting concentrated on EU enlargement, with a particular focus on Poland, the conference in the United States focused on the transatlantic relationship.

Building on questions and issues raised in Berlin and Warsaw, the aim of the Washington conference was to identify areas of co-operation for America and Europe to rebuild and strengthen their relationship. Members of the Study Group followed the developments in the transatlantic relationship over recent months. The Washington conference provided an opportunity for them to take stock and develop some proposals of their own.

This report summarizes the three days of discussions in which the Study Group engaged. It also provides insights into the essence of American political decision-making by looking at the transatlantic relationship from different angles: First, the report gives an overview of the state of relations between Europe and the United States by addressing questions of image, perception, and behavior. Second, it provides insights into how the transatlantic community relates to the world by looking at how the world is perceived and at what challenges one side or the other (or, preferably, both) identify as the most pressing to tackle. Finally, the areas for cooperation identified by the participants in plenary and working group sessions are introduced.

1 Images and Perceptions

1.1 The Images of the United States

It may seem obvious – and even natural – that over recent months “Europe” did not have a single or a united position. This is true both within Europe and in dealing with

the outside world. Similarly, a single image of the United States has remained elusive. Conventional wisdom held that the United States is the only remaining superpower, yet it has been unclear what precisely this status means with regard to its outward appearance. Moreover, America held this position earlier – during the Bush senior and Clinton administrations – yet, in hindsight, the “U.S. image” seemed to have been different then. In this sense, one American speaker cautioned Europeans not to make an easy mistake and fall into “triumphalism.” He also reminded the participants that, only 15 years ago, talk had been about the “USA in decline.”

The present – and recently re-elected – Bush administration has largely shaped the current image of the United States over the past four years. President George W. Bush came into office with a policy of “no nation-building” – in contrast to his predecessor. Instead, one speaker noted, Bush initially focused on a “Great Powers policy” but this changed by September 2002 with the publication of the new National Security Strategy, and with nation-building activities necessary in Afghanistan and, later, in Iraq.

U.S. foreign policy decisions have clearly had an influence on bilateral relations with Europe:

- In the case of **Germany**, much of the tension was regarded as a personal dispute between President Bush and Chancellor Schröder. Even though an understanding of the particular circumstances of the German election campaign in 2002 help explain the differences, there was still some damage to the relationship and anti-Americanism gained popularity in some circles: “The remarks by Bush and Schröder have created a monster we cannot simply put back into the box”, one speaker conceded.
- **France**, on the other hand, has had continuing difficulties with the United States. However, these were more on a strategic level (in the vein of “Europe as a counterweight”) and therefore seemed to be more enduring.
- In one of the few countries in the world that would have voted for Bush if it had had the chance, **Poland**, it was said that there is an irrational element vis-à-vis the United States in its soul. This tie made Poland stick close to America even though there was a humiliating feeling of a lack of reciprocity.

This worsening of the image of the United States abroad was all the more disconcerting because the country had never received so much public support from all corners of the globe as it did after 9/11. However, international support for the United States and for U.S. policy faded following the terrorist attacks and the way the United States reaffirmed its sense of its role in the world. In this regard, one speaker claimed that the American view of the United Nations (UN) was illustrative: The UN was considered to be a useful institution for the United States when it was acting in a way that was compatible with U.S. foreign policy interests. However, the UN could not provide legitimacy to U.S. actions in Iraq. To the contrary, the understanding in the United States was such that, because of the special character of the American population, stretching various beliefs, ethnic backgrounds etc., to have public support in the United States would legitimize action on a global level.

In several sessions, the group touched on the role of the media. The journalistic shortcomings of reporting on Iraq – in both the United States and Europe – were discussed. Some lamented that, after 9/11, some American journalists succumbed to government rhetoric and accepted patriotism as a filter for news coverage. One speaker remarked that the American media became intimidated by the success of Fox News, and formerly more objective media like CNN were now copying this style. The media tycoon Rupert Murdoch succeeded in moving the media to the right.

Interestingly, the picture was divided in United States: Some Americans are said to be “physically uneasy” with the current administration. One speaker referred to “two civil wars” being presently fought in the United States. On the Democratic side, there is the Old Governors’ wing competing with New Democrats like Bill Clinton, Al Gore, and others. In the Republican camp, so-called Realists including Colin Powell, James Baker, and Brent Scowcroft compete with the Neo-Cons like Donald Rumsfeld and Paul Wolfowitz. While difficult to predict the outcome of any of these competing interests, some simply hoped that, at the beginning of his second term, George W. Bush would return to what he promised at the beginning of his first: to be a uniter working across the aisle in domestic politics, and to be humble instead of arrogant in the field of foreign policy. This would help paint a different picture of the United States both in the country itself and around the globe.

1.2 Images of Europe

Europe, too, has an image problem: In the course of discussions, no distinct single image of Europe emerged per se, but there were various images of European countries. Some speakers considered it a “structural problem” that it is not always clear who is behind “Europe” – and who speaks for Europe. Many people in the United States wondered why Europe was – still – not able to deal with its own problems. One speaker said that Europe does not have an image as a global player – and predicted that this would remain the case as long as there is no EU seat in the UN Security Council. Only with regard to the Middle East, did some consider Europe, due to its special relations with both the Israeli and Palestinian sides, as an influential player.

Yet disagreement remained among American speakers whether or not one should hope for more European coherence. Some said that the “EU is the past and the European states are the future” and that, if there is not greater European unity, then one would simply choose individual states to work with. Others noted that western European countries in particular could not influence world politics anymore (especially if they act alone) and therefore hoped for more progress on the way to political integration. In this sense, they applauded EU countries for what they had already achieved in taking steps toward a common foreign policy.

More precisely, with regard to the current and future enlargements, they advised Europe to move on prudently so that it would not put further integration at risk. However, here too there were dissenting opinions concerning the future of European politics: Some did not expect any major shifts in the goals of a European Foreign and Security Policy because the new member states will adapt to what is already there. Others claimed that these new members see an opportunity to voice national choices and that they may indeed take a different look at transatlantic relations.

Regardless of whether or not Europe has changed internally, some bemoaned that over the past few years, and particularly since the disputes over the Iraq war, a form of Europe-bashing has become legitimate in the United States. This was attributed to a kind of psychological retreat among the American public feeling that the rest of the world would not understand them anyhow. Images such as that of a European “axis of weasel” certainly did not help overcome such mental blinders.

1.3 Perceptions of Transatlantic Relations

These changing images of both the United States and Europe have had their repercussions on transatlantic relations. The group's discussions accounted for these changes in perception as well as for changes in substance.

Many claimed that, despite all the recent ruptures, Europe and the United States still have both shared goals and (often) actions: They are allies in the fight against terrorism; the areas of agreement outnumber by far those of disagreement; and, the ties are sustaining. European and American government officials said that transatlantic co-operation was simply a "condition for peace." Some regarded talk of a "transatlantic drift" as vastly exaggerated, claiming that, with both Robert Kagan and Michael Moore, there was more American influence than ever on Europe. Even the latest praise for Europe, developing a "European Dream", came from a U.S. citizen, Jeremy Rifkin.

Yet, it was noted that there have been some important changes within the transatlantic community. European security used to be paramount to the United States but was no longer; therefore both sides would find themselves in a period of important restructuring. This should explain that, for some in the U.S. administration, what China thought about Iraq had become more important than what France thought about the same subject. Others brought to mind that alliances were a reciprocal game and that America could not take the Europeans, individually or collectively, for granted. "Burden sharing", even though easily demanded, would need to be carefully negotiated and put into place in practice.

One participant diagnosed a kind of "mutual schizophrenia" with regard to this transatlantic commitment. While the countries of the European Union wanted U.S. leadership but deplored its exercise, the United States wanted a strong Europe but feared the very expression of this, e.g. a viable European Security and Defense Policy (ESDP).

All the same, most participants and speakers alike shared the feeling of an historic opportunity in the aftermath of the recent election. They expected new impetus from the second Bush term ending American efforts to disaggregate Europe and instead supporting a united Europe that is, together with the United States, engaged in the world.

1.4 Images of Power

Of particular interest for the group was one concept being widely discussed not only in academia but also in foreign policy circles. “Soft power”, introduced into the public debate by Joseph Nye of Harvard University, was of relevance both to Europe and the United States, participants agreed, as it turned the focus from hard – military – power to other influential means in foreign policy. Both hard and soft power should be seen as complementing rather than as alternatives to each other. Whether any of the two expressions of power was good or bad would depend on the purpose of its use, one speaker underscored: Some people would criticize the influence of Hollywood (soft power) in their countries more than that of the U.S. Army (hard power).

A catch-up process on both sides of the Atlantic was stated necessary: Europe needed more hard power while the United States should develop and make better use of its soft power. Unfortunately, soft power only appealed to some of the “neo-cons” in the U.S. administration, one speaker remarked, whereas the nationalist faction did not care about this concept. However, it would be a dangerous flaw to neglect the potential of American soft power. At times when U.S. attractiveness had dramatically declined, it would be even more important to reach one’s goals by means of attraction and cooperation instead of through payments or coercion.

A combination of their hard and soft power resources would then best suit Europe and America: Hard power would definitely be needed to target terrorists like Bin Laden, and soft power should be used to win the moderate majority in countries that could otherwise feel attacked and/or antagonized. A current example of this combination of resources was said to be the “good cop, bad cop” policy the EU and the U.S. pursue vis-à-vis Iran.

2 Communication and Processes

2.1 Discussing Values

“We’ve had these kind of spats before”, one argument goes when talking about the presumed transatlantic drift. However, there seem to be two different sentences that may follow: “Therefore, we will also get over this one,” or: “But this one is different because our values are not the same anymore”. Either way, as some speakers

suggested, the values that unite rather than divide the transatlantic community would need to be discussed and defined.

One speaker reminded the audience that, in fact, the values on both sides of the Atlantic were not as diverse as some would have it: the death penalty, an often cited example for a seemingly wide gulf between Europe and the United States, was indeed highly disputed on both continents. Some U.S. states did not have it, while in some EU countries a majority of the populace would presumably like to have it. The same was true for religion: Though opinion polls showed that U.S. citizens tended to be more religious than their European counterparts, the recent debates over European constitution and the Italian would-be commissioner Buttiglione did not suggest complete secularism on European soil either.

Rather religion could – and should – be a topic of a new transatlantic dialogue, some speakers and participants alike contended. Other than being repelled by perceived Christian fundamentalists, Europeans could use the common basis and enter into a dialogue. While it might be difficult for some Americans to understand how much war-fighting and blood-letting it took to get to a separation of Church and State in Europe, the recent events in the Netherlands showed not only a failure of integration policy, but also the need for a renewed discussion about the role of religion in immigration societies – which happen to exist on both sides of the Atlantic.

Part of this reconfirmation of a basic foundation would include a setting of rules for potential future disagreements – precisely in order not to run into fierce and public clashes over policy like in the case of Iraq. A much bigger challenge would then be to rebuild trust between transatlantic partners, the one thing that suffered most during the past two years. This could only be done gradually, participants agreed, and it would therefore be helpful to identify tasks America and Europe can work on together and, thus, regain confidence in each other.

Strong leadership interested in working together is needed on both sides of the Atlantic. The United States would have to understand what the EU has achieved to date and could then make use of the “European integration experience.” When talking about models for democratization in the Middle East, the best example of a successful democratic transition was found in the transition of Central and Eastern European communist regimes to new member states of the EU. At the same time, Europe would have to make a decision to be either “a Gaullist counterweight or a

Blairish partner” and then throw its weight behind a common democratization initiative. Liberty and democracy were considered to be the values that bind the two transatlantic continents more than anything else, and a policy failure in Iraq and elsewhere would have devastating effects on Europe and the United States.

The outlook of such a value-reaffirming undertaking was said to be good simply because it was believed that the EU and the U.S. were a community of interest where there was no other, i.e. “better” partner for either side. In the end, one speaker observed, the transatlantic constellation was not derived from *Machiavelli* (“rather be feared than loved”) but from *Corleone* (“it’s just business”).

2.2 An Ongoing Process: The Transatlantic Economy

In addition to common values, there are other, more practical elements that tie Europe and the United States firmly together. The impact of the transatlantic economy, often taken for granted, is similarly often overshadowed by disputes over norms, tariffs, products, and the like.

However, as one speaker noted, far from drifting apart after the Cold War, there was more economic and social interaction than ever before between Europe and the United States, with 2.5 trillion US-Dollars worth of exchanges and 15 million employees in the transatlantic economy. Contrary to common belief, there was more U.S. investment in Germany than in all of Latin America, ten times more U.S. investment in the Netherlands than in China, and still twice as much of it there than in Mexico – despite the benefits of the North American Free Trade Agreement (NAFTA). For the United States, the United Kingdom is still the greatest market; U.S. foreign direct investment (FDI) is massive there, and the British transition to the Euro would make a real difference to the United States. Generally, the power of the common European currency should not be underestimated, one speaker advised.

The most important point, however, was that all this was not done for sentimental reasons or some kind of ‘Europe nostalgia’ but for pure rationality: A three per cent growth in Europe created a “new market” the size of Argentina and was therefore more important than eight per cent growth in some Latin American or Asian country. In addition, the existing – and often highlighted – EU-US trade disputes account for only one to two per cent of the overall trade volume. Finally, investment flows are at

least as important as trade. Measured by these standards, the transatlantic economy is especially important. There are no comparable investment flows across the Pacific.

While trade was only “shipping on the surface”, really investment did have an impact on the communities, one speaker informed the audience. The number one U.S. outsourcing destination was Ireland, not China or Mexico. And among equal partners, this worked also both ways: 75 per cent of insourcing in United States was from the European continent. Concerning the transatlantic workforce, the U.S. had a one million worker “surplus” meaning that European companies had created one million more jobs in the U.S. than had American companies in Europe.

Therefore, relating to Robert Kagan’s famous dictum, one speaker said, neither was Europe from Venus nor the United States from Mars, but both were from planet Mercury. The message from the God of trade was not one of drift and dissent but of record levels in most areas of trade in recent years despite slow European growth and a weak dollar. Another particular feature of a highly integrated economy as the transatlantic one was that companies trade increasingly between them: 60 per cent of EU-US trade by now was so-called related party trade.

Another speaker stated that globalization is a process primarily taking place over the Atlantic. Economics is not a zero sum game, and growth in a different country or region is not bad per se because it also means larger markets. And, especially in the knowledge economy, the cutting edge is not reached by investing in cheap countries but by co-operating with other knowledge-based economies – such as the European countries and the United States.

The conclusion was that business was not just business any more and that choices matter between the partners. If both sides want the transatlantic economy to grow, then it can continue to grow. So, while no real harm has been done to transatlantic trade during the recent political disputes, active engagement for both a deepening and widening of “transatlantic domestic policy”, as one speaker put it, is now necessary. The upcoming Doha round could become the widening part, yet a deepening agenda appears to be missing. Nevertheless, many see a window of opportunity after the recent elections with both a new U.S. administration and a new European Commission in charge.

2.3 After the U.S. Election

Understandably, high hopes were placed in a fresh start. Probably more than any other U.S. Presidential election before, the latest contest between George W. Bush and John F. Kerry produced huge interest all over Europe. Although many Europeans hoped for and expected “regime change” in Washington, following the election, they were struggling to understand what happened. Yet politics move fast, as could be seen in the cabinet reshuffling before and during the Young Leaders conference. Politicians and diplomats on both sides were encouraged to act quickly and make steps toward each other in order to use such a window of opportunity.

It was in this regard that one participant claimed that “style is a big part of the substance.” Some form of anti-Americanism should be seen as a structural problem inevitable after the demise of the Soviet Union; yet style could really make a difference, one speaker joined in saying. Whether or not one was at war was decisive for the consequences. Therefore, only Iraq was seen as a real war whereas the global “fight against terrorism” in which all Western countries were united, should then also be called that way. The second Bush administration would not have to go as far as using the politically perfectly correct phrase, proposed by one speaker, “struggle against jihadist terrorism” – yet it should become more sensitive with its choice of terms when talking to allies and friends.

Reaching out to Europe should be high on the agenda of the second Bush administration, one speaker demanded. Even the neo-cons realized that the United States could not go it alone anytime, anywhere. Conversely, a lesson was learned in all European States, including France and Germany. Now it was time to revive the NATO alliance, to join forces on the Middle East, and to start an initiative on global warming in the G8.

3 Challenges and Threats

Called upon not to limit themselves to a transatlantic exercise of navel inspection often reproached to inward-looking Europeans, the participants also took a look at the world for the burning issues that needed engagement from America and Europe. In this vein one speaker appealed that diplomats should make politicians aware not only of the risks, but also of the opportunities that lie in the world. The group agreed that what might be perceived as a risk by some could, at the same time, be seen as

an opportunity for the transatlantic community to engage into joint action and thus strengthen their relationship.

3.1 Threat Perception

Despite the existence of potential opportunities, the first challenge is to define what threats Europe and the United States face. Americans now feel as vulnerable as Europeans did during Cold War with the prospect of an atomic battle on their doorstep, while many Europeans, even after the Madrid bombing, still seem to feel safe.

After 9/11, the international order looked dangerous to the U.S.; a feeling of “It’s not about the West, it’s about us” emerged. Therefore, the United States was often seen as blunt, including in its choice of language such as the term “war on terror”, while many see Europe as too appeasing. Then again, it was voiced, that the world was not so different before and after 9/11. The terrorist acts only clarified changes that had already taken place, like a “flash of lightning on a summer evening illuminating the landscape.”

This “new world” is a place we had not been prepared for to live in. Globalization also meant, according to one speaker, that countries hitherto unimportant now matter. Major advancements of technology, including the “democratization of technology” thus far reserved for state governments, presented unprecedented dangers. What followed was an increase in both benign and malign actors who have been empowered through their access to technology.

The first such case was Afghanistan, and Iraq followed. The United States made it clear early on how it would react when it felt threatened, and the Bush Administration seemed rather unapologetic about fighting for freedom worldwide. The European Union, contrarily, had not yet made its threat response clear in practical terms. Even though there have been encouraging signs like the EU’s Security Strategy emulating much of the U.S. Strategy, the real test case would be European action on Iran.

Nonetheless, several speakers made clear that the “new world” was not about a clash of the Western civilization with the Muslim world. Only the ten per cent extremists in both camps wanted such clash and, unfortunately, developments in Iraq had been ammunition to them, one speaker recalled. Another cautioned of a simplistic view of the world as either unipolar or multipolar. He drew a picture of the

world as a three-dimensional chess game: In the military dimension, the United States was the only superpower and this could be called a unipolar field. However, in economic terms, the world was accurately multipolar, whereas concerning transnational issues, power relations were truly chaotic. One-dimensional thinking where one related the first board to the second or third was thus extremely dangerous.

3.2 The Threat of Terrorism

Despite all of the issues discussed, participants agreed that terrorism was the single most threatening issue for the United States and Europe and that a joint, decisive approach was needed.

Today's "jihadist terrorism" was said to have an important ideological component as there was a civil war going on within Islamic societies, which focused on 'freedom vs. tyranny.' Therefore, again, this fight was not about a war with Islam as such – half of all Muslims lived in democracies themselves – but with, more precisely, three totalitarian movements in the Middle East, one speaker explained: The Baathist movement of Saddam Hussein, which was essentially fascist by nature; the Shia-Islamist movement as it was supported by Iran; and the Islamist-Sunni movement aiming at a world-wide Kalifat. The struggle with these totalitarian movements, the former official predicted, would be for the successor generation what the Cold War was for the old. Similarly, this generation would have to overcome what he dubbed the "weak West": In the last 25 years, the West had only cared only about the oil and not about the people in the region, degrading them to "polite filling station attendants." However, the modern networks in our societies were extremely vulnerable. While Europe, according to this speaker, focused more on the malignant effects, the United States looked more closely at the malevolent effects of members from inside or outside the network. With regard to intelligence reform, it would therefore be of utmost importance both to reform the way human information was gathered in the Middle East, and to build more resilience into our domestic systems, including improving the gathering of domestic intelligence.

An observation stemming from the fight against terrorism was the heightened debate about "civil liberties vs. security" that had emerged in most Western countries. Although it was clear that the open societies of the West needed a kind of protection, the way some security measures were enacted was called into question. Data pursuit

was one issue here, something happening regularly with many commercial and private databases and not necessarily endangering one's liberty. However, the '9/11 Commission Report' revealed an extensive number of data management failures where, for example, visas were easily available to Saudi students. Moreover, an intelligence reform was badly needed, tearing down the existing "firewall" between the CIA and the FBI, as one speaker proposed.

In general terms, it was predicted that it would take another 15 to 20 years to know how to think through this new phenomenon. On the way to this, the example of the Soviet Union – overspending and then going bankrupt as a result of its military build-up – should be a warning. To win against terrorism, it is deemed necessary to use soft power in this field: The United States should also fight at the image front, one speaker proposed. And it could learn from the fight against the European terrorist movements about the decisive importance of the surrounding environment of a terrorist cell. Once cut off this environment, it turned difficult for a terrorist group to survive. Abu Ghraib and other instances, however, had rather served to the opposite, i.e. a reinforcement of a helping environment.

In this sense some claimed that, while there was in fact little disagreement on threat perception, it was Iraq that proved the United States wrong as next important step in the fight against terrorism. Indeed, countries like Germany were said to have disagreed with the U.S. over Iraq precisely because, according to their analysis, a war would fuel terrorist activities and provide new recruits to terrorist cells. Given the situation as it was at present, agreement was that a comprehensive approach was needed to tackle terrorism.

3.3 The Broader Middle East

These efforts notwithstanding, quite a number of speakers agreed that there could be no peace in the broader Middle East unless democratic changes were achieved. As during Cold War, this would not be done only through military means, and as with the struggle of market capitalism versus socialism, an alternative dream (here: democracy) had to be presented to young Arabs. While democratization could certainly be expected a tough process, it would not necessarily be any tougher than the process of comprehensive European democratization, lasting from 1914 to 1989. Moreover, the West was not hated so much for its culture but for the support of the corrupt regimes in these countries, someone explained. Iran, for example, was said

to be a country where the West could achieve regime change peacefully: The United States is very popular among young people and should therefore engage with the opposition, not with the Mullahs.

The Middle East Peace Process (MEPP) was of particular concern to the group. While the initial “Greater Middle East Initiative” of the Bush administration was not greeted enthusiastically by Europeans for lack of consultation, the death of Yasser Arafat presented an opportunity for change to many. As the United States has neither the financial means nor the political understanding to work without the European Union, they should take the European offer seriously and work together.

Afghanistan, which can be included among the countries of the Greater Middle East, is one such example of EU-US cooperation: Germany and the United States have jointly trained Afghan police forces; a counter-narcotics initiative was launched by the United Kingdom with support from Russia; and security assistance was now provided by Provincial Reconstruction Teams in cooperation with the UN assistance mission, one speaker highlighted. The impact of a successful stabilization and democratization of Afghanistan would therefore go far beyond the country or the region and would include the transatlantic relationship itself.

3.4 Climate Change

Climate Change was seen as another global challenge that demanded resolute transatlantic engagement. Reducing this serious problem to the question of “Kyoto or not Kyoto” was, however, seen as dangerous. One speaker went so far as to say that Kyoto was a bad instrument – where severely tight goals in the short run threaten to choke the economy. It was important not to use a single approach like Kyoto but short-, mid-, and long-term approaches. Moreover, scientific progress and future developments of technology should be taken into account. And, finally, developing countries like China or India have to be included in any such deal.

Indeed, despite differences over the Kyoto protocol, some important cooperation exists in this field, as one speaker could confirm. In addition to the Carbon Sequestration Leadership Forum, where both the European Commission and European Member States are active, the International Partnership for the Hydrogen Economy, originally a British initiative, was high on the U.S. agenda. One participant proposed an ambitious goal for both the U.S. and the EU, i.e. to reduce significantly,

by figures yet to be determined, the import of oil over next 15 years. The – preliminary – answer, however, was not encouraging, referring to the U.S. approach of diversifying energy, including through incentives for renewable sources, instead of setting firm goals.

Nevertheless, a lively discussion sparked on this topic at various instances throughout the conference. One speaker reminded the audience to see the energy question linked to other topics like environment and security. So far, renewables were only interesting for electricity production and not yet as a fuel substitute. While the latter were to be developed shortly, including through the use of hydrogen for cars, it was important to use new fossils within the existing infrastructure in order to reduce costs. The use of bio diesel or ethanol replacing gasoline would improve the environment while at the same time reducing American dependency from Saudi oil. It would also serve the developing countries and thus could represent the grand coalition of “do-gooders, tree-huggers, sod-busters, and cheap-hawks”, as he claimed.

3.5 Other Issues: Europe, Regional Powers, and the United Nations

Many other issues came up during the discussions, all sharing some general features: They were transnational by nature and, from an American point of view they involved Europe. Interestingly enough, the recent major change on the European continent, EU enlargement, was hardly discussed. Only the question of **Turkey** becoming an EU member gained some attention.

With regard to the debate about religion both in Europe and the United States, one speaker reaffirmed the secular nature of Turkey: If a Turk said what Bush or Kerry said about faith and religion in their election campaigns, he or she would be in prison. Turkey is more secular than United States and the country adopted a particular model of control for the religion of Islam, including state control over religious interpretation and what is preached in mosques in Friday prayers.

Seventy per cent of the population was said to support EU integration even though there were internal debates about the real benefits of membership. The debate taking place in Europe, however, is too late and, moreover, upsetting the Turks. While Europe clearly is about values, the speaker continued, it is deplorable that Turkey

was perceived through the lens of the “other.” In any case, a transformed Turkey is in the interest of the EU regardless of the actual outcome of membership negotiations.

Relations between Turkey and the United States were strained recently when the country did not allow the U.S. the use of its air bases. This was done, one speaker claimed, not only because other countries like France and Germany asked for an alignment according to their stance on the war, but also because there had been – and still was – strong resentment within the population for the invasion of a Muslim country – while the Turkish state is secular, the populace feels spiritual bonds with its southern neighbor.

On the “deepening” rather than on the “widening” scale of European integration were matters discussed relating to a **European defense** capability. ESDP was regarded as a good thing, even though the Bush administration was said to be largely apathetic about it. However, in the recent past, the United States had been an advocate of a strong, broad-shouldered Europe, based on the assumption that “the more the EU engages in the world, the more our views will converge.” Moreover, ESDP is seen as a necessity for the United States given the many regional conflicts where it cannot go it alone. Furthermore, Europe itself needs some true sticks instead of only threatening to withhold the carrots. As one speaker demanded, Europe should just start solving problems, no matter how the mechanism to do so is named.

However, no illusions were lost about a rise in European military spending. The call was out to at least “spend better, if not more.” “Belgium does not need an air force,” it was argued. Still, such under-financing would make it impossible for these countries to catch up with U.S. military transformation and innovation. The ensuing problem would be a lack of compatibility of the U.S. and EU military. In this regard, the NATO alliance, which had lost its central position for operational command after 9/11, should be the place to harmonize military standards and to achieve military interoperability. This could be a valuable contribution to the transatlantic security community, also with a view to the recent NATO enlargement and potential more new members joining the alliance at some point.

Another issue discussed was the relations with **regional powers like China, Russia, and India**. China should be regarded as a partner in the present, yet it was not clear whether this would continue in the future. In order to determine its way, Bill Clinton had accepted the “Empire of the Middle” as a partner; George W. Bush, on the other hand, had started differently by calling China a “strategic competitor”, but no less came out on the same stance as his predecessor. Therefore, with regard to regional stability, then as today the United States would neither support Taiwanese independence nor Chinese military action in order to alter the status quo, an insider let it be known.

The integration of both China and Russia into the world economy should not only be seen as a threat, but also as a chance in terms of possible productivity gains. By 2040, China is expected to be the biggest economy in terms of gross national product (GDP), therefore, the G8 will undergo a transition. Furthermore, the country has the potential for both energy and environmental crises, and shares with India its thirst for oil: Chinese oil consumption increased by forty per cent in the last year. This is expected to have a serious impact on global warming and only highlighted the need for a common US-EU strategic initiative, one speaker emphasized.

With regard to Russia, representatives from both sides of the Atlantic agreed that the relationship should be close rather than distant. Nevertheless, it was made clear that Russia’s geographic proximity to Europe would make any problems arising from this country more concrete to Europeans than to Americans. The difficulty would be, it was said, to find ways of telling Russia and the Russian leadership when one does not like what they are doing.

Finally, in terms of the international order emerging, discussion circled around the **United Nations** and its potential role. While some regard the international order as what the most powerful state wanted it to be, others were more enthusiastic about a prior transatlantic agreement as to what this order should look like. Great Britain, for example, was now promoting the change of the rules for international – humanitarian or political – interventions. One speaker charged the European states of double-dealing when they were asking for binding international regimes only to tame the exercise of American power, while they themselves were not willing to submit to UN authority.

4 Opportunities for Joint Action

Under the auspices of this conference, a wide range of issues was raised and discussed in plenary sessions by and with guest speakers and participants alike. In three parallel working group sessions, participants had an opportunity to brainstorm in smaller groups regarding the areas for cooperation across the Atlantic in tackling the complex issues we face together. Between this conference and the final meeting of this group in April 2005 in Brussels, participants will be tasked with developing brief proposals for greater collaboration. These proposals will attempt to provide solutions to regional and global threats and, at the same time, revive and strengthen the alliance between America and Europe by working together on very practical issues.

The three working groups focused on security issues, trade and commerce, and overarching global challenges, respectively. Naturally, many of the issues raised by the participants in plenary and working group sessions cut across these three areas. The following key topics were identified by the group for further discussion:

Security

- The Fight against Terrorism
- Iraq and the Greater Middle East
- Proliferation of Weapons of Mass Destruction

Commerce and Trade

- The Transatlantic Market Place (regulatory coordination, cooperation, and competition)
- Multilateral Trade through the WTO
- Corporate Governance and Corporate Social Responsibility

Global Challenges

- Greater Middle East
- Energy and the Environment
- Emerging Powers (China and India) and the Influence of Russia
- Human Rights and Human Trafficking
- Public Health

Based on the discussions in the plenary and working group sessions, several topics were identified for the members of the group to work on between the two meetings to develop brief thesis papers.