



## The New Transatlantic Relationship

**On** the morning of November 5<sup>th</sup>, 2008, Europe and the wider world sat in collective anticipation that the election of Barack Obama as the 44<sup>th</sup> President of the United States would end what they had perceived as a counterproductive foreign policy stance of isolation and interventionism. Enthusiasm for this new administration is widespread and the expectations for its positive engagement with the world are high. Many anticipate a revival of transatlantic bonds and closer cooperation between Europe and the United States in international affairs. Indeed, the first signs from the new US administration are encouraging. The closure of Guantanamo Bay and the renouncement of torture, as well as the promise of greater international cooperation have all been welcomed in Europe. Does this mean an end to transatlantic friction? What can Europe expect from the new US administration in office? And what can the US expect from the current generation of European leaders? Will the world witness a renewal of the transatlantic bargain? And will the allies be able to provide a common solution to current international problems from the financial crisis to Afghanistan? This brief will consider some of these issues and will set the tone for [this series of briefs](#) on transatlantic relations.

### **The United States: A Softer Tone and New Demands**

It is widely expected that President Obama will break with the foreign policy of the previous US administration and seek to rehabilitate the United States' leadership role in the world. For most of its eight years, the Bush administration acted without much regard for the concerns and troubles of its allies and partners, ignored and often derided international institutions such as the UN and NATO, and pursued a vigorous foreign policy based on US military strength. Fired up by the idea that the world was experiencing a "unipolar moment", during which American economic and military power ruled supreme, the Bush administration rejected multilateralism as an unnecessary barrier on its actions. The US alone, on occasions supported by a "coalition of the willing", possessed the moral clarity and economic and military capabilities to lead the world into a brighter future. Moreover, confronted with the scourge of Islamic terrorism, the Bush administration opted for a forceful military response and a policy of "either you are with us or against us", rejecting all attempts at negotiation as "appeasement", a historical echo of the way that Hitler had been appeased by European statesmen in the 1930s. At the time, much of the US foreign policy establishment sided with the Bush administration.

Following years of self-imposed international isolation, two bloody wars and countless foreign policy blunders, the American public has been clamoring for a fundamental change in foreign policy direction. Barack Obama has promised to deliver this change. During his campaign, Obama promised to build new bridges with America's allies,

extend an open hand to Muslim countries around the world and return to a policy of multilateralism. In a much noted speech in Berlin, he argued that the US needed allies “who will listen to each other, learn from each other and, most of all, trust each other”, and that “America has no better partner than Europe.”<sup>1</sup> The transatlantic relationship, it seems, is bound to blossom. While continuing to claim a leadership role for the US in the world, Obama has promised to work with America’s partners and reestablish America’s tainted image. All of this seems encouraging from Europe’s point of view. Indeed, in many ways the new US administration seems to perfectly match European desires to promote a form of “effective multilateralism” in the world. However, promises of rekindling the transatlantic relationship and reestablishing US global leadership are obligatory for every new US President. Will Europe really find a changed United States? And what are the prospects of closer transatlantic cooperation?

The first signs emerging from the White House seem to be moderately encouraging. Obama’s foreign policy team, led by Hilary Clinton as Secretary of State and James L. Jones as National Security Advisor, is both knowledgeable about Europe and reflectively pro-Atlanticist. Other luminaries from the Clinton administration, such as Richard Holbrooke as special envoy to Afghanistan and Pakistan and Philip Gordon as assistant secretary for European affairs, are also well represented in the Obama foreign policy team. This seems to suggest that the new administration might return to the more benign, if somewhat paternal foreign policy of the Clinton era. The planned closure of the Guantanamo Bay prison facility by the new administration, shortly after taking office, has also been widely lauded in Europe. Likewise, Obama’s promises to withdraw US troops from Iraq and to take action on climate change and renewable energies resonate positively with the preferences of European governments. Nevertheless, it is unlikely that transatlantic relations will only be smooth sailing from now on. Vice President Joe Biden outlined the foreign policy direction of the administration in a widely-noted speech he delivered at the Munich security conference in February. There he stated that “America will do more, but America will [also] ask for more from our partners.”<sup>2</sup> He promised greater cooperation, but simultaneously left open the possibility for the US to work alone “if it must”. Just how Europe will be able and willing to engage in this new bargain remains uncertain.

### **The European Union: On the Way to Greater Unity?**

While the new US administration is moving fast to resolve some of the foreign and domestic issues and burdens it inherited from its predecessor, Europe, as ever, remains a capricious partner. After years of deadlock, there is some hope that 2009 will finally bring a solution to Europe’s constitutional drama. Following new concessions on the reform treaty to placate the fears of the Irish electorate, a fresh referendum is expected for the fall of 2009.<sup>3</sup> Early opinion polls indicate that this time around the pro-European camp might carry the upper hand, as it has done in the past. This would mean that by the end of the year, Europe will finally be able to implement some of the necessary constitutional reforms that have been in the pipeline for so long. Some of these measures, such as appointing a President of the European Council and establishing a European

---

The European Union Center of Excellence of the University of North Carolina at Chapel Hill is funded by the European Union to advance knowledge and understanding of the EU and its member countries.

Foreign Service, will provide Europe with greater cohesion in foreign affairs and make it an easier and more reliable partner for the new US administration. But there will also be those in Washington that regard a strengthened European Union as a potential new competitor. For the time being, however, European governments remain divided and weak and will remain difficult and often unpredictable partners for the new administration.

The United Kingdom, traditionally America's closest ally in the EU, has been severely weakened by the ongoing financial crisis. Having been harder hit than many others, the government of Gordon Brown will have to focus much of its attention on the domestic situation and will have less time and resources available to act as a junior partner to the US in world affairs, particularly as the defense budget comes under attack by more pressing domestic concerns. Moreover, internal divisions and challenges to his own leadership have made Brown less active in foreign affairs than his mercurial predecessor, Tony Blair. While the government's response to the financial crisis seems to have provided Brown with a new boost of popularity, he continues to face calls for early elections, which have to take place by May 2010. The UK remains an important ally for the US in Afghanistan, where it provides the second largest troop contingent to ISAF and is engaged in a hot war in Helmand province. However, with the British defense budget already stretched to breaking-point (and with little prospect of the UK being able to indulge in force regeneration after the Iraq and Afghanistan conflicts), it remains unlikely that any substantial new troop deployment will be forthcoming.

Germany, Europe's largest economy and together with France the leading continental state, is scheduled to go to the polls in September this year. In the meantime, Angela Merkel's coalition government is likely to be an awkward partner in foreign affairs. With Frank-Walter Steinmeier, the current foreign minister, acting as the leader of the opposition, foreign affairs might well become a more contentious and electorally sensitive issue. Moreover, Angela Merkel's leadership, for some time celebrated as pragmatic and progressive, has failed to deliver the hoped for results and remains directionless in face of the financial crisis. Still, Merkel's CDU remains the frontrunner to win this year's poll and form a new coalition that most likely will exclude its current partner the SPD. While this should somewhat clarify German foreign policy, it is unlikely to lead to a substantial change. Constrained by public opinion and a strong pacifist legacy, Germany is unlikely to become involved in combat operations in Afghanistan; although it will send additional troops. Similarly, Germany will continue to favor close relations with Russia. Additional support might come for US policy on Iran, which might see a tightening of sanctions.

In the absence of serious competition from the political elite in Germany or the UK, France's dynamic President Nicholas Sarkozy seems to have the run of the European Union these days. Full of confidence, France's "bling-bling" President shuttles from one foreign crisis to another and has made strenuous efforts to set the agenda on more than one occasion. Undoubtedly, he will remain an important, if sometimes difficult, interlocutor for the new US administration. While Sarkozy seems more transatlanticist

---

The European Union Center of Excellence of the University of North Carolina at Chapel Hill is funded by the European Union to advance knowledge and understanding of the EU and its member countries.

than his predecessors, he remains at heart a Gaullist following a nationalist agenda.<sup>4</sup> He has been a staunch supporter of a more muscular approach to the Afghan problem and will be dispatching fresh combat troops to Afghanistan. France also has the potential to act as a partner to the US, when it comes to North and Sub-Saharan Africa, where it continues to have considerable influence and is unlikely to oppose a tougher policy line on Iran, should it come to pass. However, Sarkozy remains a divisive figure at home and abroad and with time might be challenged on both fronts. Still for the time being, France will be a useful partner for the US.

Italy under Silvio Berlusconi seems destined to remain introspective and of little relevance in foreign affairs. Entangled in domestic debates, legal wrangling and prone to public gaffs, it is unlikely the Berlusconi government will play an important role in transatlantic affairs. It has pledged to deploy a few additional troops to its Afghanistan mission and like most Europeans will remain vaguely supportive of the new administration.

Central and Eastern European countries, finally, might potentially face a tough time under the Obama team. Poland, the Czech Republic and others are traditionally staunch supporters of US policy and closer transatlantic bonds. However, with the new administration taking a softer line on Russia and back-pedaling on a number of issues from ballistic missile defense to NATO enlargement, they might feel disappointed. But ultimately – given their overall dependence on the US – it seems unlikely that this will translate into a change in foreign policy.

### **The Issues: Saving the World from Terrorism and the Financial Crisis**

While the tone of US foreign policy has notably changed and the Obama administration is unlikely to return to the unilateralism of its predecessor, there remains the usual room for some friction in transatlantic relations. Although foreign policy is not likely to be the greatest concern for the new administration, tied down as it is with trying to manage the consequences of the financial crisis, there are several foreign policy issues which will need its immediate attention. Others will have to be addressed in the long-run. Many, if not properly managed, have the potential to spark new transatlantic tensions.

**Trade Policy and the “Buy American” Clause:** One of the most pressing concerns for the new administration has been to push an economic stimulus plan through Congress. However, plans for a “buy American” clause that restrict spending under the \$800 billion package to US goods and services have been badly received in Europe. Pointing to lessons from the Great Depression, many European politicians have warned of the consequences and the potential of a tit-for-tat reintroduction of trade restrictions. While President Obama has shown some willingness to compromise on the issue, trade policy might eventually become an area of friction. Overall, Obama seems less committed to a free-trade agenda than most of his predecessors.<sup>5</sup> Moreover, should the US economic recession deepen in the months ahead, public pressure for a more protectionist trade policy is likely to grow. Any move towards protectionism will necessarily collide with

---

The European Union Center of Excellence of the University of North Carolina at Chapel Hill is funded by the European Union to advance knowledge and understanding of the EU and its member countries.

the free trade agenda of the European Commission and has the potential to lead to renewed trade conflicts. While the US administration might be able to count on the sympathy of some European Heads of State – some of which have harbored protectionist designs in the past – they are unlikely to accept worsening terms of trade in the midst of an economic crisis. Diplomatic unpleasantness over trade, therefore, remains a real concern for the medium term.

**Afghanistan and the War on Terror:** The Obama administration has declared the war in Afghanistan to be its top foreign policy priority. Indeed, shortly after taking office, Obama announced that he was considering the deployment of an additional 30,000 US troops to Afghanistan. This indicates that Obama is seeking to replicate the success of the US surge in Iraq and force a military solution to the Taliban insurgency. However, not all European countries agree that this is the right way forward.<sup>6</sup> Some Europeans have emphasized that reconstruction, rather than security, should be the main concern for NATO's Afghanistan mission. Entangling its NATO allies in a very hot war against the Taliban might test the strength of the alliance. Moreover, the new US administration is likely to press Europe for a greater military and financial contribution in Afghanistan and the War on Terror at large, to spread the burden and to lessen the emphasis on these as exclusively American concerns. As most European countries remain reluctant to further increase their commitment, there will continue to be frictions over military burden-sharing within the alliance. European plans for a more integrated European defense capacity might also prove to be divisive, as it hits the bottom line of American defense manufacturers. On the other hand, Europeans are likely to be more cooperative when it comes to intelligence cooperation and the war on terror, now that the Guantanamo Bay facility will be closed and in the context of a new administration which is opposed to rendition and other interrogation methods supported by President Bush and his officials.

**Relations with Russia:** Another top priority for the new US administration – and a potential bone of contention with its European allies – is likely to be its developing policy towards Russia<sup>7</sup>. Russia is an important factor for the US on a number of issues, from Afghanistan to Iran to ballistic missile defense. For the time being the Obama administration seems to seek a softer line on Russia. While a more conciliatory approach might be useful (mainly due to the need for Russian support on Iran and Afghanistan), there will be pressure on the administration to balance Russian power plays in Eastern Europe and the Caucasus. The issue of NATO membership for Ukraine and Georgia will be raised once more at NATO's April summit and is likely to have a deep impact on US-Russia relations as well as NATO cohesion. While Obama has indicated that he is unlikely to press for their immediate accession, delaying the decision will only postpone a potential fall-out. Moreover, with signs that Russia might be behind Kyrgyzstan's recent decision to close a major US airbase in the country – and with that jeopardize the supply of US troops in Afghanistan – a confrontation between the two might not be long in the waiting.<sup>8</sup> European countries remain deeply divided on the issue of Russia. While Britain and most Eastern European countries have been advocates of NATO enlargement and a tough policy line, most Western European countries remain keen to preserve an

---

The European Union Center of Excellence of the University of North Carolina at Chapel Hill is funded by the European Union to advance knowledge and understanding of the EU and its member countries.

amicable relationship with Russia. Securing European support and backing might therefore be difficult, no matter which policy the new US administration adopts.

**The Middle East Conflict and Iran:** Contrary to the Bush administration, it seems likely that the Obama team will remain constructively involved in the Arab-Israeli conflict from the very start. Here, it will have the full support of the Europeans, which for long have pressed for a more determined involvement in the conflict. Similarly, European countries are genuinely supportive of the idea of extending diplomatic relations to Iran and Syria, while maintaining forms of diplomatic pressure. However, there remains much potential for conflict. If Obama's plans for a rapprochement with Iran should fail, there will be renewed pressure to tighten sanctions on Iran – and to even consider a military solution. With the right emerging as the strongest faction from the 2009 Israeli elections, the potential for a military conflict with Iran is going to increase, while the margins of negotiation in the Middle East conflict will narrow. Either way, the Obama administration will have to deal with the issue of an Iranian nuclear bomb within the near future. That means that unless Iran voluntarily abandons its illicit nuclear program, it seems unlikely that the administration will be able to avoid a military confrontation. However, any military confrontation with Iran – whether limited or sustained – would be a severe test to the transatlantic alliance, American military capabilities and a source of new friction.

**Climate Change and Renewable Energies:** The issue of climate change and the promotion of alternative sources of energy will be prominent topics for the new US administration. Obama has pledged to act decisively on both. He has promised that the US will become part of a global deal on climate change – to be negotiated at Copenhagen in December 2009 – and that he will reduce US energy dependence by pushing for greater energy efficiency and investing into renewable energy technology. This break with the Bush legacy, which gave climate change a low priority, has been welcomed across Europe and has raised expectations for a common transatlantic approach to the issue. However, Obama has also rejected the Kyoto Protocol as outdated and setting the wrong incentives on the issue of climate change. Since most European countries agree that the Kyoto Protocol should be the base for any further negotiations on the issue, much will depend on the concrete policy proposals on the topic that will emerge from the White House within the near future. While there is a potential that the recession might temporarily delay movement on this issue, it is also possible that it will facilitate a switch to more energy efficiency and “green” technologies.

### **Conclusion: A New Transatlantic Bargain?**

Overall, it can be expected that the change of administration in the White House will lead to a renewal of transatlantic bonds and closer cooperation between Europe and the US. After eight years of some turbulence and misunderstandings, both sides of the Atlantic are eager to renew their bonds and work together on a host of urgent foreign policy issues. In the US, a softer tone and a greater willingness to engage with others will lead to smoother relations. In Europe, the possible implementation of the Lisbon reform treaty

---

The European Union Center of Excellence of the University of North Carolina at Chapel Hill is funded by the European Union to advance knowledge and understanding of the EU and its member countries.

will lead to greater cohesion and will make the EU a more reliable partner. However, despite these changes, differences will of course remain. For the US administration is in its early days, and it remains to be seen whether its commitment to dialogue will endure the first foreign policy crisis. Moreover, real differences remain, whether it is the use of force, relations with Russia, or even climate change. Undoubtedly, there will be some low-level friction in transatlantic relations surrounding these issues, even though it seems unlikely that will escalate to a major fall-out. Much will also depend on whether and how Europe will react to the new administration. In America, there is the wide-spread notion that having denounced the Bush legacy, Europe owes the US a debt of gratitude – both tangible and less tangible. In Europe, many welcome the return of the US to what they see as a positive role in the international order, but remain unwilling to pay for America's past failures. Some Europeans are also reluctant to go back to being America's junior partner in the world. In this situation, some disappointment might be inevitable. Nevertheless, after years of quarrelling, it is likely that pragmatism and a commitment to common interests will dominate in the near future.

---

<sup>1</sup> Barack Obama, "A World that Stands as One", Speech in Berlin, July 24, 2008

<sup>2</sup> Joe Biden, Speech at the 45th Munich Security Conference, February 7, 2009

<sup>3</sup> Stephen Collins, "Decisive shift in favor of treaty – poll", Irish Times, January 31, 2009

<sup>4</sup> Justin Vaisse, "A Gaullist By Any Other Name", Survival, Vol. 50, No. 3, June-July 2008

<sup>5</sup> During his campaign, Obama has openly argued for a re-negotiation of NAFTA and the integration of clauses on minimum labor standards in all trade agreements.

<sup>6</sup> For more details, see the brief in this series on NATO's Afghan Quagmire:

[http://www.unc.edu/depts/europe/business\\_media/businessbriefs/Brief0904-afghanistan](http://www.unc.edu/depts/europe/business_media/businessbriefs/Brief0904-afghanistan)

<sup>7</sup> For more details, see the brief in this series on NATO after the Russian Invasion:

[http://www.unc.edu/depts/europe/business\\_media/businessbriefs/Brief0904-russia](http://www.unc.edu/depts/europe/business_media/businessbriefs/Brief0904-russia)

<sup>8</sup> Luke Harding, "Kyrgyzstan to close key US military airbase", The Guardian, February 4, 2009