

The EU and the world in 2009

# European perspectives on the new American foreign policy agenda

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This EUISS publication was conceived to highlight what we consider to be the major political event of 2009, the election of President Barack Obama and the impact that the change in the American administration will have on the world. The various contributions aim to outline European perspectives on the foreign policy agenda of the new US administration, and define the priorities for EU-US cooperation in the years ahead.

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## EXECUTIVE SUMMARY

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The event that is most likely to determine the course of international politics in the year 2009 is the arrival of the new administration in the United States. President Barack Obama campaigned on the promise of change – the message that clearly resonated so well with the Americans but also with the rest of the world. The world is full of expectations of the new President and the foreign policy that he is likely to conduct. Some of these expectations are unrealistic, some are no more than projections of other peoples' wishes onto the new administration's agenda. However, during his campaign Barack Obama promised some far-reaching changes in America's foreign policy and this, arguably, is one of the reasons why he won the election. It is therefore not unreasonable to expect a considerable evolution of US foreign policy in 2009, which would have an impact on the rest of the world.

A vast majority of Europeans cheered for Barack Obama and welcomed the result of the elections. There is now a major opportunity for EU-US relations to improve under the new administration. This publication was conceived with the intention of outlining European perspectives on what we think are likely to be the joint priorities of the new administration and of the EU. We deliberately restricted the number of areas to be addressed in this report, with the intention of defining the absolute priorities for EU-US cooperation. This unfortunately meant that some very important areas, such as Africa, which is of vital importance for the EU, or China, relations with which are among America's top priorities, are not covered in our report.

The topics that we have selected, for a more in-depth analysis, are: global governance, climate change, disarmament and non-proliferation, Russia, Iran, Afghanistan, the Israeli-Palestinian conflict and transatlantic relations.

### Key findings and recommendations

*Global governance:* The EU and the US need to secure a greater involvement of the emerging powers. In other words: 'the West needs the rest', but there will be no full contribution of the 'rest' without fairer representation. That is why international institutions need to be recalibrated in order to become more inclusive.

Africa will be a test case for the EU and the US to engage with the new global players in dealing with some of the most serious problems of the contemporary world, from halting the genocide in Darfur and preventing mass murder elsewhere to fighting poverty and AIDS.

*Disarmament and non-proliferation:* The complete elimination of nuclear weapons worldwide, if accepted as the administration's official goal, will generate a momentum towards significant reductions of nuclear warheads and delivery systems. The EU should develop a coherent vision on the future of existing disarmament treaties.

*Climate change:* Acting together and leading by example, the EU and the US should reduce their GHG emissions, improve energy efficiency, help countries around the world cope with the impact of climate change and engage key emerging global players in the run-up to the critical summit in Copenhagen in December 2009 and beyond.

*Russia:* The US and the EU should engage in close consultations in order to make their policies more compatible. They should give serious consideration to the proposal of President Medvedev regarding European security architecture.

*Afghanistan:* A new strategy is needed. Increasing military contributions may be a part of it but priority must be given to a definition of clear strategic goals, development, governance and human security, in order to build a functioning State and counter the growing disaffection among the Afghan population.

*Iran:* President Obama will have to immediately tackle the ongoing Iranian nuclear crisis before he can move forward to other issues related to Iran, like regional security. He does not have to start from scratch since an EU-initiated multilateral mechanism is already in place (P5+1 format).

*The Israeli-Palestinian conflict:* Obama's team should consider a more determined and direct drive for a negotiated and durable settlement. The ongoing crisis in Gaza requires an immediate ceasefire and mutually acceptable monitoring mechanisms, all firmly embedded in a political process to ensure Palestinians regain a united and legitimately elected government and leadership.

*EU-US cooperation:* The EU-US bilateral relationship currently does not work well. At the NATO summit in April 2009, or possibly earlier at the G20 meeting in London, President Obama should tell EU leaders that he wants the next EU-US summit in June 2009 to agree on concrete ways to improve EU-US cooperation.

# The EU and the world in 2009: European perspectives on the new American foreign policy agenda

## INTRODUCTION: 2009 – A NEW DEPARTURE

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This report offers a European perspective on what we consider to be the decisive issue for global governance for the coming year. The political milestone of 2009 was easy to identify. Despite the enduring impact of the financial crisis, the tragic aggravation of the Middle East crisis and of the tensions between India and Pakistan, we at the EUISS have considered that the most significant event of 2009 is without a doubt the change in the American administration with the election of Barack Obama. The advent of the new administration has the potential to have a crucial impact on the international community's ability to deal with global and regional problems. The election of Obama is also likely to mark a new departure in EU-American relations. When, this year, we commemorate the twentieth anniversary of the fall of the Berlin wall, at a time when we are having to contend with the global financial crisis, we should strive to apply the same inclusive approach that made possible the extraordinary consolidation of a democratic order throughout most of the European continent in the wake of the events of 1989.

This report does not seek to anticipate the changes that Obama will bring to US international action; nor is it our intention to intervene in the debate on continuity or change in America's foreign policy. We are nonetheless aware that the new President has stressed many times that he would alter the US approach in a number of important international issues, giving greater priority to diplomacy and to engagement with third countries, including those, such as Iran, with which the United States has had serious disagreements under the watch of the Bush administration. Such a discourse has been very positively received in the European Union, which when defining its security strategy for the first time in 2003 emphasised that in 'a world of global threats, global markets and global media, our security and prosperity increasingly depend on an effective multilateral system.'<sup>1</sup>

The EU conceives multilateralism, on the basis of its own experience, not as a way to balance, to limit or even to counter the power of the most powerful interna-

1. 'A Secure Europe in a Better World', *The European Security Strategy*, Brussels, December 2003.

tional actors, but rather as the best way to deal with the problems confronting the citizens of Europe and the world, to face global challenges, and to overcome tensions, conflict and threats to international peace.

The last few years have shown that no multilateral initiatives undertaken to address the important questions of international governance can be effective without the involvement of the US. The results of a lack of US involvement, or late or badly conceived US involvement, are all too evident in the Israeli-Palestinian conflict and in the context of the Iranian question and global issues such as the environment or international justice. But the lack of success of isolated European action does not undermine the well-founded philosophy underlying the EU's multilateral approach and the pertinence of many of its political proposals. One can even say that the failure of unilateralism has given a new legitimacy to the vision of the European Union.

President Obama has not only announced his commitment to contributing to efficient multilateral action, but also what are to be his top foreign policy priorities. These can be summarised as follows: to improve America's image in the world; to engage in diplomacy; to defeat al-Qaeda in Afghanistan; to prevent the spread of weapons of mass destruction by pursuing disarmament and a stricter non-proliferation regime; and to eradicate poverty in Africa and combat AIDS. These questions are also important priorities for the EU and many of them are defined as such in the European Security Strategy and in the report on its implementation recently approved by the European Council.

The convergence of declared intentions towards the approach and towards most of the priority areas creates a window of opportunity for cooperation between the EU and the US and, with it, the possibility for the international community to deal efficiently with the problems that affect international peace and the quality of life of many of the world's inhabitants. But, for this, it is necessary not only to reinforce EU-US cooperation but also to define the priorities and the strategic options of such cooperation. This is a complex task given that we know that the Europeans and the Americans not only have to listen to their own voices but will also have to, more often than in the past, listen to each other's voices, those of other nations, and take them into account when they define their policies and their implementation.

With this report, we intend to contribute to the debate that will develop between the EU and the new US administration, and to articulate and highlight a European perspective on some of Obama's declared political and security priorities. We do not address here financial and international trade questions that will likely be the key priorities in this presidential term, not because we do not consider them essential but because they are not issues that come directly under the research focus of our Institute.

It is rare that Europeans have expressed such high expectations of an American president. Therefore we also echo European public opinion when we consider 2009 as an opportunity that cannot be missed; but, to ensure this, the Union in turn should be able to match the expectations of the new American administration in a manner that is coherent and consistent with its values. Asking the incoming American President what he can do for the world is not sufficient. What can the European Union do for America is the equally pertinent question to which Europe should be able to respond. That is the ambition of this report.

# I. EUROPEAN VIEWS ON TRANSATLANTIC RELATIONS: SEVEN PRIORITIES

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## 1. A EUROPEAN APPROACH TO THE NEW GLOBAL AMERICAN AGENDA

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As he stated at his Berlin campaign rally in July 2008, America's new President wants to restore a multilateral approach in the US to solving international problems: 'partnership and cooperation among nations is not a choice; it is the one way, the only way, to protect our common security and advance our common humanity.' These declarations were accompanied by the appointment of one of his main advisers, Susan Rice, to the post of Ambassador to the United Nations with Cabinet-level rank, a strong indication of a significant change in the foreign policy approach of the world's remaining superpower.

The European Union argued throughout the years of the Bush administration that it was possible to find solutions to the most important international issues through the perspective of global governance, and that the best way to deal efficiently with global challenges was to strengthen the legitimacy and the capability of the international institutions. This is what the EU stressed in its 2003 Security Strategy 'A Secure Europe in a Better World.' This conclusion was recently reaffirmed by the EU Council when it made an assessment of the implementation of the 5-year-old strategy. The deep conviction of the EU is that it is possible to build an efficient multilateral system that can regulate globalisation and give it a human dimension. This conviction comes from its own historical experience of European integration and building peace on the continent.

Their divergent attitudes towards multilateralism provoked the deepest divisions between Europe and the US during the Bush years. Today, with the change in the US administration, there is a real possibility of building a new Euro-American consensus. This would have implications for the ability of the international community to deal with the serious global and regional crises that characterise the current situation of international disorder.

In recent years, awareness of the need for global governance has become more acute. This is the case with regard to the present financial crisis but also with regard to the environmental crisis and world poverty. The same applies to serious humanitarian crises and mass violations of human rights such as have occurred in Darfur. The inability of the existing international institutions to contribute

effectively to a better world goes hand-in-hand with the acknowledgement of the absolute necessity of a functioning multilateral system.

The world has changed substantially since the days of the Clinton administration and it is no longer possible to solve the majority of global problems with the combined power of the US and Europe alone. Nowadays it is clearer that the world is becoming multipolar and that the EU-US partnership needs to be extended to other global actors such as China, India, Russia and Brazil or to regional actors such as South Africa, Indonesia or Turkey. For the EU, engagement with the new global actors is a strategic priority and, as a consequence, everything must be done to prevent the emergence of new bipolarities at global or regional level. With this objective in mind, the EU prioritises the creation and implementation of norms and international rules that apply to all. A policy of inclusion as recommended by the Union, based on its own experience, implies sustained long-term policies and strong support for diplomatic action. The success of effective multilateralism also requires consistent support to regional integration and cooperation, and the involvement of civil society.

In the context of this and other issues the European-American debate needs to go back to where it was at the end of the Clinton administration and build on that foundation. Indeed, the notion of effective multilateralism is the legacy of what the Clinton administration in its relations with the UN termed 'assertive multilateralism'. This implies a greater focus on increasing the ability of international institutions to better manage global problems and means that the United States must share the burden of world leadership.

The West needs the rest of the world to help find appropriate solutions to international challenges. It is no longer possible to leave the representatives of the emerging powers standing in the lobby of the G8 summits, waiting to be heard. The G20 meeting on the financial crisis was a first step in the right direction. This means that the US and the EU states that have disproportionate representation in the important international organisations need to agree to yield some power. We need to take advantage of the handling of the financial crisis and the election of Obama to launch a bold reform of international institutions. This would require multi-level negotiations on financial, climate, energy but also security issues in what has been called the new 'Grand Bargain', following the one that created the current multilateral system at the end of the Second World War. The equation is simple – if Europe and the US want the participation of the emerging powers, they must be prepared to allow them the representation that corresponds to their status. Such a reform implies the re-launching of the Security Council reform process; opening the International Monetary Fund and World Bank to the representatives of other world powers; and, in order to regulate the international financial system, creating a new institution inspired by the World Trade Organisation. It will not be easy to achieve all this; at the same time, the EU and US should get

seriously involved in the completion of the current Doha round of talks, since this could be, if successful, an incentive for everything else, because of the impact it could have on the development of the world economy and on the fight against poverty. A Grand Bargain such as this would certainly be an extremely difficult process whose outcome would be uncertain, in particular regarding the reform of the UN. However, the commitment of the EU and the US to such a process and their willingness to make the necessary concessions would be perceived by the others as proof of a new, inclusive approach that rejects any form of Western hegemony. Such an accommodation would give rise to goodwill on the part of the other powers, facilitating their commitment on critical questions for security and international peace, including the launching of concerted initiatives by specific groups of states and the ability to deal with challenges that the international community as a whole is not prepared to face.

Among the questions on the international political agenda to which the Europeans should give priority in their discussions with the United States, we would stress the following:

**Democracy and human rights:** putting the question of democracy and human rights back on the international agenda is no easy task given the rejection of democratic interventionism as a consequence of the war in Iraq. This is not about creating a league of democracies that would lead to a new bipolarity and would weaken multilateralism. Support needs to be given to political reform processes and to civil society actors. Denouncing human rights violations is compatible with a serious policy of engagement as long as it is coherent and avoids double standards.

**Promoting human security:** we need to abandon a policy that has prioritised security to the detriment of civil rights, in particular with respect to a global war on terror that has legitimised authoritarian practices. The protection of civilians should be the first security priority and for that it is necessary that the US bring all its weight to the debate on the responsibility to protect. The first and decisive component of an efficient strategy to avoid genocide should be preventive policies that could include a multilateral military component.

**Peace and development in Africa:** Africa is a test case for the capacity of the international community to tackle the worst threats to humanity, from genocide to poverty, hunger and serious epidemics such as HIV/AIDS. The key priority should be to ensure that the Millennium Development Goals do not become a victim of the financial crisis. All the great powers, new and old, have interests in Africa. Because of this, the new powers need to be involved in an efficient, multilateral strategy towards Africa, which would also be a test of their capacity to assume the responsibilities of their new status. Support to African organisations, both continental and regional, should be a central component of this strategy. This should avoid simplistic and ill-adapted global views of the complex African realities.

**Reaching out:** one of the most difficult inheritances of the last few years for the US is the spread of radical anti-Americanism in many parts of the world, in particular in the so-called Muslim world. The new American administration will need to reach out to those societies by developing a strategy that deals with the grievances of the Muslim world. This can be done by engaging in building a Palestinian state, and avoiding a culturalist-civilisational approach that denies Muslims the right to democracy. This also implies accepting the political forces that represent the opposition in many countries today, the so-called political Islamic parties. An important contribution that the European Union could supply in this regard would be to set Turkey's EU membership prospects back on track.

For the Europeans and the Americans to promote such a wide-reaching international consensus, they need to deepen their bilateral relations in an agenda that cannot be limited to security. This is why it would be preferable for President Obama's first visit to Europe to take place in the framework of a bilateral meeting on global challenges, including the Middle East crisis, and not the NATO Summit in April, which will be dominated by hard security issues and enlargement.

The page needs to be turned on an agenda that has been too security-oriented in favour of a more comprehensive and long-term approach. If Obama manages to achieve that, he will find goodwill and the answer to the question of what the world, and in particular Europe, can do for America, including with regard to the difficult hotspots in which the US has got involved or indeed created. That is certainly the case with Afghanistan, and who knows, perhaps even with Iraq.

Twenty years ago, following the end of the Cold War, George Bush Senior and European leaders like François Mitterrand and Helmut Kohl were able to work together to build a new European order that fostered peace and democracy in most of the continent. Today the challenge is of a global magnitude: a new world order must be built out of the chaos generated by the financial crisis and the security disorder. This is the gigantic challenge that faces the new American President.

## 2. DISARMAMENT, ARMS CONTROL AND NON-PROLIFERATION

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In the course of the past year disarmament has increasingly become a viable security alternative to address the threats posed by non-conventional weapon holdings. While disarmament – the reduction of a discrete weapon category to zero – governs the control regimes for biological and chemical weapons, nuclear warheads and their delivery systems have so far been the subject of arms control (i.e., the management of weapon levels according to treaty-specified quantitative or qualitative limitations) or non-proliferation policies (i.e., limitation on access to certain weapon-critical technologies for non-possessors). Particularly in the United States there seems to be a growing realisation that non-proliferation may be reaching its useful limits. Most remarkably, the view is today no longer the monopoly of a left-wing fringe. Since the publication of an opinion piece by three former Secretaries of State and a prominent Senator in January 2007, the idea has enjoyed growing bipartisan support among senior Democrats and Republicans. Combined with a stated willingness by the incoming administration of President Barack Obama to engage in multilateral diplomacy in its pursuit of national security, a new era of disarmament and arms reductions may be in the offing.

### Nuclear weapons and missile defence

Nuclear weapons are clearly a problematic issue for President Obama. He views them as a necessary evil for the time being and has pledged to move towards a nuclear weapon-free world and meanwhile seek dramatic reductions to a level of 1,000 nuclear weapons in the US and Russian arsenals. Preventing terrorists from stealing or otherwise acquiring a nuclear device is easier achieved if there are no nuclear weapons at any location on the planet. Global warming and the growing demands for carbon-free energy alternatives are driving a renaissance of nuclear energy and many countries, including ones located in politically unstable regions such as the Middle East, are actively considering launching or are in the process of establishing a nuclear industry. Monitoring and verification of the peaceful purposes of these activities in the absence of nuclear weapon holdings is generally less demanding than in an environment rife with suspicions of proliferation activities. Ultimately the global removal of nuclear arms takes away the prestige habitually ascribed to those weapons and thus one of the chief incentives to acquire them. Expected are a quick ratification of the Comprehensive Test Ban Treaty and early engagement of Russia on the follow-up of the Strategic Arms Reduction Treaty (START), which expires in 2009, and the expansion of the Intermediate-Range Nuclear Forces (INF) Treaty beyond Europe.

President Obama does not expect to reach the ultimate goal of global zero during his first (or even second) term, but the policy goals and slowing down of

the missile defence project will affect some of the European Union's security policies. While questions of force levels and weapon deployment are the subject of deliberations in NATO, the EU has become increasingly active in areas of disarmament, arms control and non-proliferation and is an active endorser of international institutions overseeing the implementation of treaties restricting the possession and use of non-conventional arms. Historically the presence of US nuclear weapons in Europe was seen as offering guarantees of US military involvement in the case of aggression against Europe. The new EU Member States (who also joined NATO) in particular value the presence of US nuclear arms in Europe as a cornerstone of their external security policy. Their eventual removal will consequently require the formulation of satisfactory alternative guarantees in order to acquire Europe-wide endorsement of the global zero goal. As the ideas under consideration imply significant reductions of both US and Russian strategic and tactical (battlefield) nuclear weapons, the role and size of the French and UK nuclear forces are also likely to become the subject of growing domestic and international debate.

At present European endorsement of global zero is not a foregone conclusion. Yet, Europe and the EU in particular may play a critical role in helping to shape US nuclear disarmament policy over the next twelve months. More specifically, in view of the time required for the Obama administration to review US nuclear posture, the EU may have to take the lead in the preparations for the 2010 review conference of the Nuclear Non-Proliferation Treaty and actively seek US engagement in the debates and support for its positions. The EU will have to work proactively in order to have a significant impact on the emerging debate.

## Chemical weapons

While the current debate on possible global nuclear zero is generating a lot of excitement, the total elimination of chemical and biological weapons has been underway for many years. One of the core goals of the Chemical Weapons Convention (CWC) is the elimination of all chemical weapon (CW) stockpiles. The overwhelming majority of CW are located in Russia and the US. All CW should have been destroyed by April 2007, ten years after the entry into force of the CWC. Both countries have received the maximal treaty-allowed extension of 5 years. However, it is already clear that the US will not be able to achieve full destruction until 2017. Some projections put the ultimate goal as late as 2024.

The principal reasons for the delays are the public's demand for safe and environmentally-friendly destruction technologies and chronic underfunding of destruction activities. The international community is becoming increasingly concerned and the delays are starting to have an impact on the management of the CWC implementation. The Obama administration should therefore direct sufficient priority

to the timely destruction of CW in order not to undermine confidence in the treaty regime. The EU should clearly convey the urgency of the US treaty commitment.

After long initial delays, Russia's destruction activities are gathering speed, although its CW disarmament is not without technical problems. Western financial assistance has been key to the building of the destruction installations, but lately US support for weapons elimination in the former Soviet Union has been faltering. A profound assessment should be made of Russia's current needs for international assistance with CW destruction and security at the storage sites, and both the US and the EU should allocate sufficient resources so that Russia can meet its CWC obligations.

### Biological and Toxin Weapons Convention

In 2001 the United States decided that the 1972 Biological and Toxin Weapons Convention (BTWC) was unverifiable and abandoned the international efforts to negotiate a protocol to strengthen the convention. Although the States Parties have meanwhile adopted programmes of annual meetings of experts and States Parties, the effective implementation of the treaty has been in limbo since then. It lacks an international organisation to oversee treaty implementation and enforce compliance in an age in which biology and biotechnology have become the global motors of innovation and development.

The need for treaty implementation oversight and verification remain undiminished. While it will take some time for the US to formally review its position on the BTWC, the EU should undertake innovative research into possible verification mechanisms that take the current and anticipated state of biology and biotechnology into consideration and then actively engage the Obama administration with a view to presenting a future vision of the BTWC at the 7<sup>th</sup> review conference in 2011.

### Missile defence

Under the Bush administration missile defence was driven by ideology more than anything else. Over the past eight years the development programme has suffered many failures, and in the couple of instances where an interception proved successful the conditions of the test were carefully managed. Nonetheless, the administration pressed ahead with preparations to deploy missile launchers in Alaska, abandoning the 1972 Anti-Ballistic Missile Treaty with Russia in the process. The push to establish an anti-missile launch base in Poland and a missile tracking system in the Czech Republic is causing considerable friction with Russia.

The incoming Obama administration will most likely reinstate the standard procedures for testing and evaluation and treat missile defence as any other weapon development programme. Eventual deployment will depend on thorough analysis of the system's technical feasibility and on whether it does not draw resources away from more urgent security requirements.

As with the question of comprehensive nuclear disarmament, from a European perspective and that of some countries in particular instalment of the weapon system has to a certain degree come to symbolise the US transatlantic security commitments. However, being a question of weapon deployment rather than arms control, the issue is of greater pertinence to NATO and bilateral relations between the countries concerned than to the EU.

### 3. CLIMATE CHANGE

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President Obama has defined climate change as a ‘man-made natural disaster’ and has warned that ‘our continued use of fossil fuels is pushing us to a point of no return ...we are condemning future generations to global catastrophe’. John Kerry, Chairman of the US Senate Foreign Relations Committee and Obama’s representative at the UN Poznan Conference on Climate Change in December 2008, said that addressing climate change ‘is a challenge of leadership, and we have an enormous obligation to meet it’. At the same time, while closing the climate ‘package’ at the European Council in Brussels, President Sarkozy and Commission President Barroso invited President Obama to join Europe in leading the global effort to address climate change. The time is ripe for a serious transatlantic debate, as a crucial step towards a global deal on climate change at the Copenhagen conference of December 2009.

Climate change is a defining challenge facing the international community, one that bears a huge potential for ill or for good. If not addressed head-on in the short-term, the long-term implications of climate change will irretrievably undermine living standards, prosperity and also stability across the world. There is a wide consensus among the scientific community that cutting global emissions by at least 50% below 1990 levels by 2050 is an essential target if the rise of global temperatures is not to exceed the critical threshold of 2° C above pre-industrial levels, which would potentially entail catastrophic effects. The challenge of climate change is interconnected with many others, notably energy security, sustainable development and state failure. Because of this, however, tackling climate change can become a powerful engine of technological innovation, economic growth and international cooperation. The risks are clear, the opportunities at hand. The international community, notably the US and the EU, have the responsibility to avert the dangers and to seize the opportunities.

The EU has adopted a comprehensive approach to climate change and has taken the lead in global efforts to deal with it. Over the last two years, the EU has endorsed landmark objectives to reduce emissions by 20% below 1990 levels, to increase energy efficiency by 20% and to expand the share of renewable energy to 20% by 2020. The EU also introduced in 2005 the first mandatory cap-and-trade system – the Emission Trading Scheme (ETS). Emission allowances will be allocated for free until 2012 but, after that, the auctioning of emission permits will be progressively introduced, which will make polluting more expensive and encourage innovation and energy efficiency.

In December 2008, EU Member States held a difficult debate on how to preserve these objectives while dealing with growing concerns about the economic outlook and the competition posed by countries not bound to the same environmental

standards. Exceptions were introduced regarding the auctioning of emission permits over 2013-2020 to meet the concerns of the industrial sectors most exposed to such competition and to soften the transition to the new system for the power sector in new Member States.<sup>1</sup> However, the basic targets have not changed and auctioning revenues are expected to average 30 billion euro annually between 2013 and 2020. Part of these revenues will be earmarked for more investment in reducing greenhouse gas (GHG) emissions. The climate change 'package' approved in December also includes important measures to reduce emissions from sectors not covered by the ETS, promote Carbon Capture and Storage (CCS) technology, expand the use of renewable energy and lower emissions from fuels and cars.

At the international level, the support of the EU and of its Member States to the Kyoto Protocol was crucial for its coming into force in early 2005. In 2008, the EU also looked more closely at the security implications of climate change as a threat multiplier. This analysis is consistent with that developed by the US National Intelligence Council in its *Global Trends 2025*, which stresses the potentially destabilising effects of climate change-induced water and food shortages. The 2008 report on the implementation of the European Security Strategy calls for improving early warning capabilities and doing more to strengthen the ability of the countries most exposed to the impact of climate change to cope with it, in cooperation with the UN and regional organisations. This is yet another important area for EU-US cooperation.

Over the last few years, however, the US commitment to mitigating climate change and helping adapt to its consequences has been ambivalent and insufficient. While individual states in the US have introduced innovative measures to curb GHG emissions, the fact remains that between 1990 and 2005 energy-related CO<sub>2</sub> emissions declined by about 3% in the EU and grew by 20% in the US.<sup>2</sup> This is simply no longer sustainable.

The EU and the US have to lead by example and engage other major emitters and the international community at large in tangible cooperation along the four priority areas of the Bali Action Plan, namely mitigation (by drastically limiting GHG emissions), adaptation, technology transfers and enhanced funding. It is understood that a differentiation must be made in terms of the responsibility of developed and developing countries but the mixed outcome of the Poznan conference shows that reaching an agreement on sharing the financial burden and on respective targets for capping and reducing emissions will require much political will and creativity. The position of large emerging countries which have become major emitters, such as China and India, will be crucial in future negotiations and

1. See Brussels European Council, 11 and 12 December 2008, Presidency Conclusions, Doc. 17271/08, 12 December 2008; and 'Energy and Climate Change – Elements of the final compromise', Doc. 17215/08, 12 December 2008.

2. European Environment Agency, *Energy and Environment Report 2008*, no.6/2008, p.10.

the EU and the US should join forces in engaging these and other countries so as to pave the way to a global deal.

In both Europe and the US, the financial crisis risks drawing resources and political capital away from action against climate change. Clearly, much care will be needed in assessing specific legislative measures in the midst of a recession. However, the EU and the US should stay the course in fighting climate change and communicate that effectively. In 2006, Nicholas Stern has made a strong case that the costs of mitigating climate change are only a fraction of those that would be needed to confront its consequences. More recently, he has tellingly argued that the ongoing economic and environmental crises have a common denominator: both result from a system that misjudges risks and trades long-term disaster for short-term gains.

For the US and the EU, not taking urgent and determined action at the domestic and international level would be an historic mistake in terms both of self-interest and of international legitimacy. Investment in green technologies and in the renewal of housing, infrastructure and transport systems to make them environmentally sustainable will provide considerable opportunities for vast sectors of the economy, thereby contributing to re-launching growth beyond 2009. Far-sighted investors have already taken note. In particular, focusing on energy efficiency is a 'win-win-win' scenario as it lowers emissions, lowers energy bills, and reduces dependency on energy imports.

Moreover, by showing leadership on the climate change agenda, the EU and the US will demonstrate their willingness and ability to take responsibility for shared challenges and for the protection of common goods. As such, they will be in a stronger position to establish positive linkages between climate change and other sensitive issues such as energy security, development strategies and also conflict prevention, where relevant. In a world where power is shifting and the multilateral order is challenged, this is *the issue* where the EU and the US together can make a substantive difference, thereby transforming climate change into a multiplier of cooperation, instead of conflict.

## 4. THE US, THE EU AND RUSSIA: A DIFFICULT TRIANGLE

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At the beginning of 2009, US-Russia relations are at a very low ebb. The short war in Georgia in August 2008 was only the latest, if most alarming, demonstration of rising tensions. At the same time, the US cannot ignore Russia's impact on issues as vital to its interests as international or energy security. Washington is confronted with an increasingly uncooperative Russian attitude on many issues they consider crucial to their foreign policy such as non-proliferation, Iran, Afghanistan and North Korea.

The US remains the main reference point of Russian foreign policy and is seen by Moscow as the leading power in the Western hemisphere. The past few years have witnessed a downward spiral of resentments, mutual accusations and disengagement. While Russia perceived US activities at all levels of the international system as targeted against its own interests, the US accused Russia of increasing expansionism in the post-Soviet space and of regression in its domestic political development. The outgoing administration's Russia policy fluctuated between cordial meetings between the two Presidents and harsh verbal attacks against Russia by other members of government. Not enough priority was given to developing a coherent strategy for relations with Russia. As a result, the gap between Moscow and Washington widened constantly, both sides pulled out of multilateral security arrangements (ABM, START II, CFE), and were increasingly at odds over developments in the Commonwealth of Independent States (CIS). Given the close interdependence between the three actors, deteriorating US-Russian relations have an immediate impact on relations between the EU and Russia as well.

Among the many issues at stake between Russia and the US, two stand out in particular: (i) European and global security and (ii) reform processes and unresolved conflicts in the CIS.

Many problems await the new American administration and its allies regarding European and global security. Deteriorating relations between important actors, notably the US and Russia after 2003, have led to a considerable weakening of multilateral arms control and disarmament regimes. Disagreements between those players have also had a negative impact on the efficiency of multilateral organisations dealing with security, notably the OSCE and the UN/UNSC. The war in Georgia illustrated that none of the international organisations involved was able to prevent the crisis from escalating out of control. In this situation, the new Russian President Dmitri Medvedev called for a critical revision of the existing European security structures and for negotiations on a new Pan-European Security Treaty. Despite the vagueness of the Russian proposal the idea of a general debate on European security, preferably in the framework of the OSCE, is increasingly being discussed in EU-European capitals and the US.

After the August 2008 war in Georgia, international actors have had to reconsider their approaches towards reform processes and unresolved conflicts in the Newly Independent States (NIS). The EU and the US pursue very similar goals regarding those issues: they support multilateral conflict resolution processes, and they encourage domestic reform processes in the NIS aiming at democratic consolidation. This policy is informed by the desire to create an undivided, prosperous and secure Europe, and to maintain access to important economic assets, such as markets and energy. The EU's approach towards the NIS places an emphasis on deepened cooperation and their *rapprochement* with the *acquis communautaire*. US support of domestic transformation processes has been accompanied by a geo-strategic dimension, out of which the US has, for instance, pushed for NATO enlargement into the post-Soviet space – despite the considerable democratic deficiencies of the respective countries and unresolved conflicts on their territories. Given the US's political weight in the post-Soviet space this has caused increasing tensions with Russia. The question of a NATO Membership Action Plan (MAP) for Ukraine and Georgia has also divided EU Member States. Basically, the EU approached the region through the rather technical European Neighbourhood Policy (ENP) and avoided the question of membership altogether, while the US linked democracy promotion with the highly politicised issue of NATO enlargement.

In the wake of the August war in Georgia, and with new presidents in office in both the US and Russia, the triangular relationship between the EU, the US and Russia is at a very important crossroads. Prosperity and stability in the post-Soviet space and European security are much more likely if this triangle functions well. Against this background the EU and the US need to better coordinate their policies towards Russia and the post-Soviet space.

### European security architecture

The US and the EU should be open to a debate on how to improve the efficiency of European security structures. Multilateral cooperation on security, arms control and disarmament is crucial for European and global security. The US and the EU, therefore, need to engage in an intensive dialogue process including all controversial issues from OSCE reform over the CFE/ACFE treaty to Ballistic Missile Defence (BMD) and NATO enlargement. Such a dialogue should aim at better mutual understanding and enable them to shape the broader debate on European security with their own ideas and suggestions. The dialogue should not, however, unfold without taking Russian perspectives and interests into account. It would, therefore, be helpful to involve Russian representatives at an expert level. If the EU and the US manage to coordinate their respective approaches there is no reason to shy away from the debate on European security and indeed actively shape it.

## Reform processes and unresolved conflicts in the CIS

In the neighbourhood, the EU's and the US's approaches need to be both resolute and more cautious at the same time. The tragic events in Georgia have illustrated three things: (i) countries in the post-Soviet space need unequivocal support for domestic reform processes in order to facilitate their sustainable development; (ii) at the same time, however, worrying trends such as de-democratisation or nationalist policies need to be scrutinised and concerns voiced clearly. In Georgia, this opportunity has been missed, which contributed to the tense situation leading to the war in August 2008; (iii) more security in the post-Soviet space is not possible against Russia. In reaction to this, the EU needs to overcome its traditional 'Russia first' attitude, which has kept it from gaining a stronger political profile in its Eastern neighbourhood. This does not preclude functioning relations with Russia. On the contrary, if rightly handled it has the potential to open new room for cooperation between the EU and Russia in areas such as conflict resolution or energy relations. The US needs to disentangle democracy promotion from its geo-strategic approach towards the region as a whole. Recent developments have illustrated that the situation on the ground is much more complex and needs more sophisticated strategies. Therefore, the new US administration should abstain from pursuing Georgia's and Ukraine's NATO accession as a priority goal and focus on (critical) support for the consolidation of their democracies. *Rapprochement* with the EU could be a more sustainable option in this respect, both for the countries concerned and for the region as a whole.

To make this possible, however, both the EU and the US have to do their homework first. The Union has to forge common positions on controversial issues in relations with Russia and the Eastern neighbourhood. The US, bogged down in wars in Iraq and Afghanistan in recent years, needs to refocus its attention on Russia and develop a new and more sophisticated strategy towards this powerful and ambivalent country. The US and the EU should engage in close consultations in order to make their policies more compatible. The EU was the only international actor to act swiftly and efficiently during the Georgia war. The US should make use of the Union's capacities and also of its experience drawn from close political, economic and societal ties with the NIS and Russia. This is not about lining up against Russia in a kind of new Cold War, but about acknowledging the complexity of the triangular relationship mentioned above.

Unfortunately, Moscow is not showing much openness to cooperation these days. Therefore, while working on an efficient strategy to improve relations both with Russia and the other NIS, actors inside the Union and the US have to be aware that there is no quick fix to most of the problems discussed above. Nevertheless the doors have to be kept open for long-term solutions.

## 5. THE ARAB-ISRAELI CONFLICT

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The ongoing Israeli ground invasion of the Gaza Strip has once again brought to our attention the urgent need for a negotiated and sustainable settlement to the Arab-Israeli conflict, and the indispensable role of the international community. Resolution of the conflict is a declared strategic priority for the European Union. The European Union and its Member States have become increasingly invested in the search for a two-state solution. They have emerged as the largest donor to the Palestinians, advanced an array of bilateral and multilateral links with Israelis and Palestinians, stepped up to third party monitoring, peacekeeping and support tasks, and sought greater diplomatic involvement in the search for peace as a member of the Quartet and through regional diplomacy.

Various setbacks to these European efforts suggest that any peace-promoting measures or process rooted in a potentially – rather than actual – conflict-ending and final-status defining arrangement are likely to founder at best, and be warped by the very power struggles, insecurities and violence they seek to displace at worst. This is most evident in the way in which EU-sponsored physical infrastructure, institutional reform and human development in the Occupied Palestinian Territories have stagnated or fractured under the weight of Israeli-Palestinian and intra-Palestinian conflict.

While most acutely visible in the rubble of destroyed Palestinian Authority buildings, this dynamic is perhaps most profoundly felt in the debris of a defunct democratic process within the Palestinian body politic. With regard to the latter, a number of European policymakers regret Euro-Atlantic handling of both the 2006 Hamas electoral victory and the formation of a Palestinian national unity government in March 2007. It remains unclear how the latest violence in Gaza will affect the estrangement between Fatah in the West Bank and Hamas in Gaza since inter-factional fighting culminated in Hamas' military takeover of Gaza in June 2007. Recurrent socio-economic data and analysis suggest no amount of economic assistance will be able to offset the economic and social distortions of war in the West Bank and Gaza. Together these difficulties point to the limited applicability of, and high risks of attempting to apply, post-conflict reconstruction-style tools to a live conflict.

Against this backdrop, and the pivotal role of the US in the conflict, European expectations of the incoming Obama administration are high. There is much hope in Brussels, European capitals, and among delegations and missions on the ground that the new US administration will engage in a timely and sustained manner in the search for a settlement, and adopt a more nuanced approach to complex political and security dynamics. While Obama did not spell out the precise course his administration would take on the issue during his electoral campaign, his repeated reassurances of his commitment to the unique defence relationship between the US and Israel, and a

declared intention to use sustained and aggressive diplomacy towards Iran, offer some clues. A week before his inauguration, Obama pledged that his administration would be engaged in the 'Middle East peace process as a whole' from 'day one'. Obama and his Middle East team have been publicly and privately showered with wish-lists, advice and policy proposals on how to approach the conflict, from which a number of useful recommendations can be extracted. In particular, 'lessons learned' that emerged from a recent United States Institute for Peace study group on Arab-Israeli Peacemaking should be heeded. These include extensive consultation with concerned actors, ownership of US policy, a focus on end-game solutions, ensuring that parties comply with commitments made, the judicious choice and empowerment of negotiators and envoys, and careful use of the next president's symbolic value to US peacemaking efforts.<sup>1</sup>

There has been extended discussion of how the next US administration might best time and sequence its approach to different dimensions of the conflict. These discussions have mostly focused on the different negotiating tracks, in particular Israeli-Palestinian and Israeli-Syrian, or on different crux issues, from violence to settlements, on which some kind of progress should be sought. As most recently illustrated by the circumstances surrounding, and consequences of, the end of the Israel-Hamas ceasefire in December 2008, efforts to separate out different issues and power dynamics, and to proceed on one front while neglecting others, are exceedingly difficult. A complementary way of organising strategic thinking on the challenges ahead might be to emphasise three essential and immediate tasks to be pursued at the intra-party, inter-party and regional levels: incentive-shaping, consensus-building and fine-tuning.

Incentive-shaping refers to the need to reshape the calculus of interests so as to strengthen incentives in favour of moderation, negotiation and compromise. The surge in violence in December 2008 and January 2009 comes after a steady and unchecked attrition in incentives for Israeli and Palestinian political leaders to compromise, moderate their discourse and action, and refrain from violence. Policies attempting to impose pervasive and sustained moderation on any party through violence, blockade, arbitrary arrests, abductions or isolation have not worked. Rather than supporting policies that aim to dissect or eliminate undesirable opponents through such tactics, European and US energy, intellect, time and resources should be channelled towards developing a set of policies that bolster regional and local incentives to moderation – be they psychological, economic, logistical or political – with regard to all parties to the conflict.

The current crisis highlights in particular the dire consequences of failing to provide adequate third party mediation, offer adequate support to durable mo-

1. Daniel Kurtzer et al, *Negotiating Arab-Israeli Peace: American Leadership in the Middle East* (Washington DC: United States Institute for Peace Press, 2008).

monitoring and confidence-building mechanisms, and use other policy tools smartly to back up these undertakings. Most immediately, the US, in coordination with fellow UN Security Council members, Quartet partners and regional actors, should push for an immediate and permanent ceasefire, and for a mutually acceptable monitoring mechanism firmly embedded in a political process to ensure Palestinians regain a united and legitimately elected government and leadership, who in turn can engage in serious negotiations with their Israeli counterparts. How to best support free and fair elections, and deal with their outcome, would re-emerge as a key issue in this respect.

Consensus-building entails fostering awareness of, and broad agreement around, the likely building blocks of any two-state and regional settlement among Palestinians and Israelis, between them, and between them and their neighbours. If a negotiated settlement appears to offer the only way out of insecurity and violence, then careful attention must be given to its missing components. Consensual solutions to the territorial, security, refugee, settlement and Jerusalem questions, as well as mechanisms to embed a two-state solution in a regional framework of peace and prosperity, need urgent airing. The EU and US should spearhead such a process, drawing on the ample material provided by existing agreements and initiatives, in particular previous UN resolutions, the 2003 Geneva Accord and the Arab Peace Initiative.

Fine-tuning might be envisaged as skilful and delicate chiselling at the contours of these building blocks. The US has an indispensable role to play in developing robust, vetted and refined bridging proposals that would lend the details of any settlement adequate viability and legitimacy. The basic rationale behind, and ultimate shortcomings of, President Clinton's last-hour efforts to establish parameters for a solution are instructive in this respect. The EU and other European actors' experience, alternative perspectives, diverse ties with various regional actors, and manifest willingness to support the implementation of agreements, including provision of security guarantees, should be fully harnessed in such an endeavour.

To work more effectively across the Atlantic to this effect, an already apparent US shift towards accepting more input from other actors, and spreading the burden, should be embraced within and beyond the Quartet. The Arab Peace Initiative represents a welcome foundation on which to build regionally along the three dimensions outlined above. The Quartet may well endure as the framework in which the UN, US, Russia and EU attempt to harness and project their relative positions and strengths. A thorough examination of the relative advantages and limitations of its membership, *modus operandi* and remit should be included in any stock-taking of policy, as should an assessment of the merits of continuing to use the Quartet's roadmap as the key reference point for our efforts and our appeals to the parties to the conflict. Back in March 2007, Obama acknowledged that 'our job is to do more than lay out another road map; our job is to rebuild the road to real peace and last-

ing security throughout the region'. He should consider whether a performance-based roadmap, obstructed by poor performance, might be set aside in favour of a more direct and determined attempt to reach a negotiated settlement to break the cycles of insecurity, dispossession and violence. It is in the US and EU's interests to decisively break the futile pattern of stretching out more or less bearable lulls within these cycles.

Fundamentally, any joint initiative or new approach that emerges out of the current lively policy thinking in Washington DC, European capitals and the Middle East should not be hampered by preoccupation with whether or not to engage in diplomacy, and whether to endorse the use of armed force in its place. Such preoccupation has undermined Euro-Atlantic credibility, and harmed our basic interests. Instead, diplomacy in all its regional, local, back-channel, second-track and public variations should be pursued relentlessly – not as an end in itself, but as a means to a negotiated and durable resolution of the conflict. This should include building strategically on the large reserve of goodwill the EU is likely to show towards diplomatically determined US peacemaking efforts.

## 6. IRAN

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Iran is generally viewed as one of the biggest challenges for the incoming US administration. And with good reason. After all, previous administrations got their fingers burnt whatever strategy they pursued, whether reaching out to or putting pressure on Tehran. The question of what to do next depends on how the end-game shapes up, and on whether the US and the Iranians genuinely want to come to a basic understanding. Or does Washington prefer the isolation of the Islamic Republic and does Tehran see more advantages in continuing to rely on anti-Americanism as the regime's ideological *raison d'être*? There are some grounds for optimism, however, because even the hawks in both Washington and Tehran appear to shy away from the prospect of open confrontation.

President Obama promised during his electoral campaign to offer unconditional talks to the Iranian leadership, thereby fostering expectations of a *rapprochement* and even a grand bargain in some quarters. Needless to say, his rivals immediately rejected this suggestion. Since then he has qualified his statements, alluding to the opaque power structure in Iran and indicating that such an offer might require a complicated phase of delicate preparations. But in the end, by stating his willingness for direct talks with the Iranian leadership, Barack Obama succeeded in breaking Washington's bi-partisan taboo of shunning the Islamic Republic and thus paved a new way for US diplomacy.

However, the challenges ahead are formidable, due primarily to the fact that there are three main dimensions to the 'Iran issue': (i) the complex nature of the Islamist regime; (ii) Iran's role as a regional power and (iii) the nuclear issue. All these points are interconnected and therefore cannot really be separated from another. To make issues even more complicated, there are divisions and differences in European and American approaches even if their views on Iran largely coincide.

For instance, the Europeans were always more relaxed concerning the fundamental nature of the Islamist regime, i.e. its Islamist ideology. There are historic reasons for this: after all, post-war Europe had to live side by side with an ideological regime hostile to democratic values for more than forty years. Hence the Europeans are not too disturbed by the idea of coexistence with a regime whose values they do not share. Besides, occasional outbursts against EU Member States notwithstanding, there is no strong vein of anti-Europeanism in Iran, at least nothing comparable to Iranian anti-Americanism and anti-Zionism. Therefore, once the Europeans concluded that the regime was not simply going to disappear, the EU focused on pursuing policies aiming at changing the regime's behaviour in matters of concern like human rights issues, regional security and support for international terrorism rather than changing the regime's Islamist nature or going for regime change.

The EU applied the same principle to Iran's regional policy. Although fully aware of Iran's importance and stature in the region, the EU nevertheless was not afraid to raise matters of concern with Tehran, especially with regard to Iran's role as a spoiler in the Middle East Peace Process. This being said, the EU embarked on a critical (and later a comprehensive) dialogue with Iran which included regional security. For the US, things were different because they were at loggerheads with the avowedly anti-American and anti-Zionist regime in the Persian Gulf. Iran's ultimate goal was and is to one day see the US leave the Gulf, which by default would make Iran the strongest power in the region whereas the US would prefer the Iranians to play no role at all in this crucial energy-rich area.

The 2001 Afghanistan and the 2003 Iraq invasions entrenched the US even more in the region and brought both sides dangerously close to one another. Both in their own ways are now able to exploit the other's vulnerabilities to a degree, and in fact the current situation might best be described as a strategic stalemate between the US and Iran. Ideally this stalemate could be overcome by incremental, issue-to-issue cooperation in security-related areas. However after six years in Iraq and some fruitless talks it is easy to assume that common interests between Iran and the US in security-related fields (if indeed they exist) are not an argument compelling enough to serve as a basis for commencing bilateral talks – let alone negotiations – in earnest.

This leaves us with the Iranian nuclear issue. In this case initial disagreement between the EU and the US over how to proceed was gradually overcome during the Bush presidency – one just has to compare John Bolton's lambasting of Iran in 2003 and Condoleezza Rice co-signing a polite letter on behalf of the international community to her Iranian counterpart Mottaki in 2008. Hence a new and stable international consensus on Iran involving the UNSC was reached: the so-called P5+1 format (E3/3+EU), which includes the High Representative for the EU's Common Foreign and Security Policy (CFSP) in a key function. Up until now, the format has followed an approach of offering economic and political incentives on behalf of the EU but with US backing and, if Iran stalls, referring the nuclear file to the Security Council, as has already happened, and adopting economic sanctions.

And it is in the area of sanctions that a potential disagreement between Europe and the US might occur. To begin with, unlike many in the Beltway's policy community, the Europeans do not see sanctions as a tool for regime change nor do they aim at destroying the economic foundations of Iran's secularist middle class. Rather they see sanctions as a tool to get the Iranians back to the negotiating table and therefore are eager to find a compromise between the Chinese-Russian and the American positions. Besides, with virtually no economic relations between the Islamic Republic and the US (at least no legal ones) it is easy for Washington to pressure for European sanctions. But the EU proceeded to apply sanctions at

its own pace and on its own terms: as a result, sanctions in combination with Dr. Ahmadinezhad's economic policies were enough to dramatically reduce the volume of EU-Iranian trade. EU-Iranian energy relations, in contrast, experienced no such decline, especially in the field of natural gas. True, as in other areas here too Chinese and other Asian enterprises are eager to move in on the Europeans' business territory if they should decide to leave; but this seems unlikely. Because energy in the EU-Iranian relationship has always been about more than just business: essentially, it is about the EU's energy security and its increasing dependence on a resurgent Russia. Europe simply cannot ignore Iran (or the Gulf Region, Iraq or Central Asia and North Africa for that matter) and has no alternative but to remain engaged in the Iranian energy business.

No doubt, a less aggressive Russian energy policy could certainly help to alleviate European fears regarding one of its biggest energy providers. But this seems unlikely to happen anytime soon and as long as this is the case the value of Iran as an energy provider will only increase and thus the Europeans will resist any attempt on the part of the Americans to push them to forgo their own vital interests.

And this brings us back to the nuclear issue. Here, the diplomatic process embodied by the P5+1 is at an *impasse* and in desperate need of a new impetus. Until now all attempts at a negotiated solution broke down on two points: the Iranians' demand for a negative security guarantee from the US (unlikely to be obtained) and Iran's insistence on its right to enrichment (which the regime is unlikely to give up). Achievement of uranium enrichment would make Iran a nuclear threshold power, which would force the American President to at some point take a decision on whether such an outcome, namely a nuclear-ready but not weaponised Iran, is acceptable for the US.

Hence the idea of direct US-Iranian talks is meaningful. But only as long as two requirements are met: they must be without preconditions and they must involve the American president and Iran's Supreme Leader, at least at a later stage. This forces both sides to be flexible. With regard to the US at least this is not impossible, given the fact that even under Bush the US position on Iran has undergone dramatic changes in the last few years. It goes without saying that this change in American attitudes could hardly have happened if it was not for the EU's tireless efforts to find a negotiated and mutually acceptable solution for Iran's nuclear programme. Thus the ball is in Iran's court and the regime will have to decide whether it favours ideological anti-Americanism over a unique opportunity for engagement.

Needless to say, in the event that Tehran's Islamic regime opts for engagement, a new vista of possibilities would be opened up. Not only would the Europeans and at a later stage perhaps the US engage with the Islamic Republic, but such a development would also affect the way the international community views Iran's

nuclear programme. Of course the reverse is true in the event that Tehran stalls. This would give those in the US and beyond the necessary justification to intensify their quest to further isolate the country and exert other means of pressure on Iran. If this should indeed turn out to be the case, then the diplomatic safety net which has been provided by the P5+1 format might be seriously weakened.

## 7. AFGHANISTAN: A NEW BEGINNING?

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Over eight years since the launch of Operation *Enduring Freedom*, Afghanistan remains highly unstable with a fragile security situation which has deteriorated sharply since 2006. It is now generally acknowledged that the strategy of the international community is not working. Despite increases in the international security presence and the expansion of the Afghan National Army, last year saw a dramatic surge in violence, especially in Southern Afghanistan. The number of roadside bombs (2,000) and kidnappings (300) in 2008 was double the figure for 2007. US military deaths rose by 35 percent in 2008 (reaching 559 since the beginning of operations) and the number of civilians killed in insurgency-related violence also increased dramatically. In 2007 more than one third of Afghan civilian casualties (nearly 400) were caused by US air power. Other coalition forces have also suffered heavy casualties, with Canada recording the largest number of fatalities (106 for January 2008) for any single Canadian military mission since the Korean War. British, Danish, Dutch and Spanish casualties have also been among the heaviest for any overseas mission in which those countries have participated since World War II.<sup>1</sup>

During his election campaign President Obama argued 'we have taken our eye off the ball in Afghanistan', putting Afghanistan at the heart of his security agenda and repeatedly referring to it as the central front in the fight against terrorism and in particular al-Qaeda. For George W. Bush, Iraq came first and Afghanistan second. President Obama has promised to reverse this order of priorities, but the task awaiting the new administration is enormous. According to General David H. Petraeus, the head of the Central Command who previously commanded the multinational force in Iraq, the challenges faced in Afghanistan are more complicated than the ones the US faced in Iraq under his watch. In the meantime public support for the continuing presence of European troops in Afghanistan has been declining, while some European governments have felt that their views were not taken into account when designing and implementing a strategy that has been led by the US from the beginning.

Barack Obama has advocated increasing troop numbers and a more aggressive strategy in battling the Taliban and al-Qaeda in the border region between Afghanistan and Pakistan, including the possibility of launching strikes against terrorist targets on Pakistan's territory. It has been announced now that in 2009 30,000 additional troops will reinforce the 32,000 American soldiers already there. The UK (300-1,000), France (300) and Poland (600) have also announced troop increases. But no other substantial military contributions are likely to come from Europe, including Germany, where Obama chose to make his appeal on the issue during

1. See: [http://en.wikipedia.org/wiki/Coalition\\_casualties\\_in\\_Afghanistan](http://en.wikipedia.org/wiki/Coalition_casualties_in_Afghanistan).

his July 2008 trip to Europe. The expectation that the Afghan National Army (ANA) will increase from its current level of 66,000 to 122,000 may prove unrealistic because of the lack of finance from the Afghan state. A co-financing of the ANA by international donors is highly problematic not least because the sponsors would have no control over the ANA's actions. In any case, increasing the number of national and international troops will not be enough to create a functioning state in Afghanistan. Improving security in Afghanistan will most likely be the result of providing legitimate sources of livelihood which wean society off the production of opium and renew Afghans' hope in the future.

It is argued here that focusing on military means of dealing with the resurgent Taliban and al-Qaeda is unlikely to prove sufficient and that any military strategy needs to be coupled with a political dialogue process that includes the moderate Taliban, a new multilateral effort and a thorough development strategy that helps integrate Afghanistan within the region.

### No military solution

There seems to be a consensus among leaders, including, for example, NATO's Secretary-General Jaap de Hoop Scheffer, that a military solution alone will not succeed in Afghanistan. Yet so far international efforts in Afghanistan remain predominantly focused on boosting the existing military operations: NATO's ISAF and the US-led Operation Enduring Freedom (OEF).

There is still a gap between the general strategy proclaimed in London in 2006 in the context of the Afghanistan Compact Conference and the international efforts on the ground. Although the Afghanistan Compact crystallised the international consensus on the equal importance of security, development and governance in order to achieve stability, the existing military operations prioritise the elimination of terrorists and are sometimes conducted in violation of international legal norms. Their impact on the local population is much greater than that of the reconstruction efforts pursued by the Provincial Reconstruction Teams (PRTs). However, if stability is to be achieved in Afghanistan the security dimension of the international efforts has to be accompanied by equally robust civilian efforts, otherwise the international presence will continue to be viewed as an occupation and the antagonism of the local population will grow.

The EU has not only made a substantial financial effort in assisting Afghanistan, but after solving political and technical hitches is now trying to perform a considerable civilian role in contributing to train the police and the judiciary, with parallel missions launched by the EU Commission and the Council. EU Member States – with the exception of Slovenia, Cyprus and Malta – are contributing to ISAF, with some of them leading PRTs in areas of growing insurgency. However,

with just a few exceptions, EU Member States are not keen to commit more resources, particularly military resources, to Afghanistan, especially since European public opinion is now increasingly opposed to the sustained presence of their troops there. However, it is possible that these negative trends may be reversed if European public opinion is presented with a new comprehensive strategy for Afghanistan and the situation on the ground starts looking winnable.

The proclaimed faith of President Obama in multilateralism and dialogue opens real prospects for a debate on how to shape and effectively implement a stabilisation strategy in Afghanistan. A real debate would disclose potential for a renewed engagement of all EU Member States and institutions. It is time for the EU to demonstrate its capacity to instigate development and governance processes, including the use of mechanisms such as monitoring and twinning and exchange programmes, which have been tested in accession processes as well as in Neighbourhood and Framework Agreements, in certain areas.

### Political process and regional accord

As long as the Taliban remain outside the existing political process it is unlikely that they will scale back their violent activities. But this question has a powerful regional dimension and cannot be addressed without the co-operation of Pakistan, India and other regional powers. Before 9/11 the Taliban were supported by Pakistan's Intelligence Services (PIS) and some elements within the services continue to co-operate with the Taliban. This support is unlikely to go away as long as Pakistan sees the Karzai government as allied with India, which so far has been the case.

Reaching out to the Taliban and engaging Afghanistan's neighbours would not be without risks. The Taliban may be disinclined to enter into a political process with Kabul in the current situation when they are gaining ground in the South. Finding a compromise between India and Pakistan may prove impossible in the current post-Mumbai situation, while relations with Iran, which remains an important actor in Afghanistan, are for the time being poisoned by the nuclear issue. However, such an effort would be supported by the EU and given President Obama's support for multilateral diplomacy as well as his focus on Afghanistan there could be enough momentum to strike a new regional accord on Afghanistan.

### What to do?

The strategy for Afghanistan must be multifaceted and consist of several mutually reinforcing strands. Below are some key recommendations:

## (1) Clarifying strategic objectives

The forthcoming increases in international (especially American) troop levels could contribute to the improvement of the security situation in Afghanistan as long as there is a general consensus that the military is one of the elements of a broader stabilisation strategy. At the same time, it would be very difficult to sustain the current level of commitment, let alone secure further increases, from other members of the coalition. While in the US the support for conducting combat operations against the Taliban remains strong (76 percent) it had fallen to just 43 percent in Europe by September 2008.<sup>1</sup>

Pressurising the Europeans on the issue would not work, especially when public opinion is turning against the military aspect of the operation unless the strategic objectives are clarified, the political and civilian component is reinforced and there is a change in military tactics in order to avoid civilian casualties. It must be clear to the European public that the principles of human security are being fully applied.

## (2) Civilian role

European support for civilian action in Afghanistan, such as economic reconstruction, training of Afghan forces and combating narcotics production, remains strong. It is in this sphere that a greater potential for contributions from Europe may be found. There is consensus among the key actors that governance and rule of law – the existence of credible Afghan institutions – is the key to the stability and prosperity of Afghanistan. President Obama should contribute to restoring the balance between the three components of the London consensus, which entails subordinating the use of force to the civilian aspects of the agenda and perhaps requires a genuine dialogue on the limits of the use of force at the UN level.

Europeans should increase their contributions to the reconstruction and stabilisation efforts. For example, setting up the EU's own PRTs, as proposed by Polish Foreign Minister Sikorski, should be seriously considered. Much work remains to be done to make the existing EU missions more effective and improve internal co-ordination at the EU level. This will help reduce the lack of coherence between the international community's contributions.

The pledges made by international donors, amounting to \$20 billion in aid for Afghanistan, must be honoured, which in the past was not always the case. However, it is doubtful that the Karzai government has the capacity to spend this money effectively. Better international supervision and know-how on directing aid to concrete projects should be a matter of transatlantic consultations. At the same time, Afghan ownership and leadership of the process are crucial. International

1. See: [http://www.transatlantictrends.org/trends/doc/2008\\_English\\_Key.pdf](http://www.transatlantictrends.org/trends/doc/2008_English_Key.pdf).

organisations must work actively with the Afghan government and make sure that aid is channelled effectively, since externally-driven reform and parallel structures will only undermine efforts in the long run.

### **(3) Promoting a regional accord**

Afghanistan has become a testing ground of Indo-Pakistani rivalry but there are also other regional actors involved. In the past the Taliban have also been supported by the Saudis, who are now trying to pressurise them to enter into negotiations with Kabul. At the same time the Northern Alliance that led the anti-Taliban revolt in 2001 was sponsored by Iran, China, Russia and India. A regional accord bringing all these powers together as well as the US and the EU – perhaps in the form of a contact group – may prove essential to the political process in Afghanistan. The search for legitimate sources of livelihood in Afghanistan, which will contribute to eradicate the production of opium, is linked to different bilateral and regional arrangements that will boost the local economy. The regional consensus should thus be reinvigorated with a view to enhancing the political and economic benefits of integration, which will in turn help to put an end to cross-border insurgency.

## II. RECALIBRATING TRANSATLANTIC RELATIONS

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There is a powerful momentum in place for a major improvement, or even a renaissance, of transatlantic relations under the new Obama administration. This may be ascribed to three distinct trends.

First, European outrage over the war in Iraq and the manifest unilateralism of the Bush administration has been waning in the last few years, although the extent of this should not be overstated. President Bush was never popular in Europe but his post-9/11 diplomacy antagonised the Europeans to the point when for the first time in post-war history a significant majority – 64 percent in 2004 (according to GMFUS<sup>1</sup> Transatlantic Trends figures) – saw the leadership of the US in world affairs as undesirable. This trend declined slightly in 2008 with 59 percent of Europeans rejecting US leadership. At the same time the percentage of those who believed that the US and EU should develop a closer partnership rose in all EU Member States between 2006 and 2008 and fewer Europeans expressed the view that relations have deteriorated. While it is true that these changes in the public perception of transatlantic relations are modest and are far from suggesting a radical reversal of the negative shift that occurred between 2002-2003, nevertheless there is an unmistakable indication of a new climate of opinion and it shows that the Europeans do not enjoy being estranged from the US.

Second, most Europeans supported Barack Obama during the US presidential election and have high expectations of his leadership. On most major questions that antagonised Europeans during the last eight years in which Bush held office, ranging from the war in Iraq to Guantanamo, disarmament and climate change, Barack Obama has promised to take action that, if implemented, would meet with the approval of the majority of European public opinion. Consequently, 69 percent of Europeans supported Obama, while only 26 percent viewed John McCain favorably. During his trip to Europe in July 2008 Obama was welcomed by enthusiastic crowds and his address in Berlin was attended by 200,000 people, making it the biggest gathering ever at an Obama event at that point in the electoral campaign. 47 percent of Europeans and 40 percent of Americans expressed the view that US-EU relations would improve if Obama was elected while the opposite view was shared by 23 percent of Americans and only 5 percent of Europeans.

Third, despite the fallout of recent years it is striking that both sides of the Atlantic agree (with few exceptions) on what the new President's priorities should be. Both the Europeans and Americans agree that the President should focus on dealing

1. German Marshall Fund of the United States. All statistics from opinion polls cited here can be found at: [http://www.transatlantictrends.org/trends/doc/2008\\_English\\_Key.pdf](http://www.transatlantictrends.org/trends/doc/2008_English_Key.pdf).

with international terrorism and the economic crisis as his top priorities. Both sides also agree that easing tensions in the Middle East and preventing the spread of nuclear weapons should be high up on the list of the President's concerns. Europeans are of the view that climate change should also feature at the top of the President's agenda, while the Americans see the problem as significantly less pressing. At the same time more Americans than Europeans are of the view that stabilising Afghanistan and relations with China are important. Overall, there is much more convergence than divergence in these views and certainly they do not suggest any unbridgeable differences.

Public opinion has moved on key transatlantic questions but arguably it has been a slow process. In the meantime politicians have moved much faster. The second term of the Bush presidency proved to be much more consensual in terms of EU-US relations than the first one. The President made a number of conciliatory gestures: he travelled to Europe several times and became the first US President to visit the EU institutions. Both the President and Condoleezza Rice spoke about the need to work with their European allies and the value of the transatlantic relationship. In Europe there has also been a change of attitude especially since the departures of Gerhard Schroeder and Jacques Chirac and the arrival of the much more Atlanticist Angela Merkel and Nicolas Sarkozy. In recent years the positions of the US and the EU on some essential issues, such as Iran, China and Russia, have been significantly closer than during the first term of Bush's presidency. In some other areas, like EU-NATO relations, there was a marked improvement during Bush's second term in office.

A propitious political atmosphere for a major improvement in transatlantic relations has existed for some time but so far politicians, especially in Europe, have been constrained by their publics, which remained sceptical about the Bush administration. The election of Barack Obama has instantly increased America's soft power and its appeal in Europe.

However expectations in Europe are clearly overblown and there is no doubt that some will be disappointed as witnessed, for example, during the Gaza crisis when the President-elect chose not to comment on the issue. Still, the potential exists for the US and the EU to rapidly repair the damage caused to the relationship by the Bush administration, and perhaps even embark on a genuine renaissance in the relationship in the years to come. There are plenty of issues that Europeans and Americans should work on together. A cursory glance at global and regional challenges would include Israel-Palestine, Afghanistan, Iran, Russia, climate change, the spread of nuclear weapons and terrorism. But if they wish to work more effectively together, then both the EU and the US need to do two things: develop a much more intense strategic partnership between the EU and the US in a bilateral framework and improve EU-NATO cooperation on operations and capabilities as well as the common understanding of the Alliance's role.

President Obama inherits a much improved context for EU-NATO cooperation. This is because of President Sarkozy's stated intention to re-integrate France into NATO's military command, and because the Bush administration declared its support for a strong EU defence policy during 2008. These changes in attitudes have removed most of the tension that has bedevilled EU-NATO cooperation over the last decade. Even so, it will be difficult to improve cooperation on operations and capabilities until the Turkish-Cypriot dispute is resolved. There are however some grounds for optimism with the ongoing Cypriot re-unification talks which will continue during 2009. In the meantime President Obama should start talking informally to EU governments about concrete ideas to improve EU-NATO cooperation on missions and capabilities, so that if and when Cyprus and Turkey lift their formal vetoes the EU and NATO can move quickly to work more closely together.

In his campaign pronouncements Barack Obama referred to NATO and the three biggest European states – France, Germany and the UK – but he rarely mentioned the EU. As President Barack Obama will discover, the US already works closely with the EU (rather than through NATO) on a whole host of issues. Some are well known, such as trade and climate change. But this cooperation now also includes key security issues, like Iran and counter-terrorism. There is huge potential for the EU and the US to develop a broad strategic relationship covering many issues (both security and non-security issues, which sometimes overlap). However, the EU-US relationship currently does not work well. Issues are addressed on an *ad hoc* basis, and EU-US summits rarely produce meaningful results.

## Recommendations

To signal his intent, and to challenge his European friends to 'step up to the plate', President Obama should do three things in the short term. First, he should appoint a foreign policy expert (as opposed to a trade expert) to be the next US ambassador to the EU. Second, he should engage in bilateral discussions as soon as possible with the EU on issues of mutual concern including the Israeli-Palestinian crisis. Third, at the NATO summit in April 2009, President Obama should have a special meeting with EU leaders, and tell them that he wants the next EU-US summit in June 2009 to agree on concrete ways to improve EU-US cooperation, adding that this is vital for a healthy transatlantic relationship.

It is important that the President's European team does not focus exclusively on the three largest EU Member States (Britain, France and Germany), which has been the case so far. Focusing on the EU-3 reinforces existing divisions in the EU and is not necessarily the most effective way for the US to get what it wants from Europe. The EU has a High Representative for Foreign and Security Policy and its foreign policy agenda is set by the six-monthly Presidencies (currently held by the

Czech Republic, and from July to be held by Sweden). It is important that the US shows that it respects the EU system and wants Europeans to act collectively.

The Europeans should also do more to demonstrate to the US that they are willing to help and able to deliver. On Afghanistan, while European views on strategy may differ from that of the US, it is important that the EU presents the new administration with a clear concept of what it thinks needs to be done, and shows its full engagement on the matter – including considering how to improve the EU's contribution on the ground. On Iran, rather than voice reservations, the Europeans should unequivocally endorse President Obama's potential diplomatic engagement with Tehran, and be prepared to pursue a co-ordinated strategy. In addition, should President Obama decide in favour of launching peace negotiations between Palestinians and the Israelis, the EU should show its full support by offering additional financial contributions and a beefed up border monitoring mission. Plus, if EU governments agree that there should be dialogue with all Palestinian factions, they should also make that case to the Obama administration. Finally, there will also be much scope for EU-US cooperation on Russia, disarmament and climate change, while Africa may increasingly figure more prominently on the next transatlantic agenda. In fact, the Europeans would welcome greater American attention to Africa.

There is a real window of opportunity for both sides of the Atlantic to reconnect and reinforce each other in dealing with their common challenges. The Europeans have always known they cannot act alone, and the lesson of the George W. Bush presidency should be that the US cannot either. Our values are almost identical, our interests are very similar and the need to work together seems more obvious now than at any other time since the end of the Clinton administration.

## ABBREVIATIONS

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ABM	Anti-Ballistic Missile Treaty
ACFE	Adapted CFE Treaty
ANA	Afghan National Army
BMD	Ballistic Missile Defence
BTWC	Biological and Toxin Weapons Convention
CFE	Conventional Armed Forces in Europe Treaty
CFSP	Common Foreign and Security Policy
CIS	Commonwealth of Independent States
CW	Chemical Weapons
CWC	Chemical Weapons Convention
ETS	Emission Trading Scheme
GHG	greenhouse gas
INF	Intermediate Range Nuclear Forces Treaty
ISAF	International Security Assistance Force
NATO	North Atlantic Treaty Organisation
NIS	Newly Independent States
OSCE	Organisation for Security and Co-operation in Europe
PRT	Provincial Reconstruction Team
START	Strategic Arms Reduction Treaty
UN	United Nations
UNSC	United Nations Security Council



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