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## REJECTING “THE END OF THE WEST”: A NEW NARRATIVE FOR TRANSATLANTIC RELATIONS

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The global realignment triggered and then amplified by the financial crisis and the economic downturn in developed economies is having a profound effect on the way the West perceives itself. This in turn is having far-reaching ramifications for the transatlantic relationship and international security generally.

This realignment is seen by most economists, strategists, and decision-makers in terms of a shift in power from America and Europe toward Asia – China and India in particular. There may be diverging views as to the root causes of this alleged demise of the West or in the speed of the process, but there is a growing feeling in many quarters that the Western era, as we know it, is coming to an end.

The first thing we need to do is understand precisely why such a narrative has been so readily taken on board. Why the doom and gloom?

Consider first the situation in the United States. The enormous American deficits combined with the corrosive mix of a sluggish recovery, high unemployment (and underemployment), and the cost of the protracted wars in Afghanistan and Iraq have triggered a national debate in the United States, the centerpiece of which is declining American power in the 21st century. The prevailing narrative in the United States thus has mutated away from the ubiquitous chorus deploring Europe’s fading relevance toward a rather more somber discourse about the fading of the West as a whole.

Europe, for its part, appears plagued by more deep-seated problems than even its critics had pointed to. After the success of the institutional transformation brought about by the Lisbon Treaty, crisis has not only hit the financial sector and the economies of most EU countries but has

also revealed profound structural weaknesses in the makeup of the union itself.

This applies to both eurozone and non-eurozone countries. Even worse, the Greek crisis and the sovereign debt and deficit problems of the unflatteringly named “PIGS” countries have magnified the historic cultural and governance differences between North and South, East and West. Severe austerity measures designed to reign in rampant deficits are now threatening economic growth and risk accelerating an already widening gap.

Most leaders and governments in European countries are witnessing abysmal approval ratings, thus limiting the (already weak) capacity to provide the kind of leadership needed in such dramatic times. The context of the crisis has revealed deeply troubling rifts and a failure to provide coherent and timely crisis mechanisms in the eurozone. The fabled solidarity principle came out of the crisis broken, or at least ailing. The entire basis and stability of the EU’s monetary and economic governance has been brought into question. Other pundits predict, with barely disguised satisfaction, the imminent demise of the euro. In short, inside and outside of Europe, there are growing doubts about the capacity of the EU to be a viable and competitive global power. On both sides of the Atlantic, there is also mounting skepticism over the viability of the transatlantic relationship as the center of strategic, economic, technological, and cultural gravity for the decades to come. The gradual disengagement of the European military from Afghanistan (today around a quarter of the forces deployed) and the deep cuts in defense spending across Europe are creating a growing sense of frustration in Washington. This revolves around the perceived lack of commitment of the EU to share the burden of providing global security and fighting

terrorism. Some in Washington even predict that a failure of NATO in Afghanistan could trigger a severe crisis in the Alliance itself.

There are other complicating factors in the transatlantic dynamic. The new allies in Central Europe have expressed public concerns that the Obama administration has shifted its focus of interest from that region to the Pacific. The pressing of the much-vaunted “reset” button in the relationship with Moscow by Washington and the ever-growing romance with Russia in some key European capitals is contributing to such concerns.

Clearly, all of this does not bode well for the economic, cultural, and, first and foremost, values-based compact we broadly define as the West. Is this “decline” inevitable? Is the West really doomed to lose the pivotal position in world affairs it has enjoyed for 500 years? Will America and Europe inevitably go on distinct and divergent paths? The answers to these questions will influence, define, and shape the 21st century.

### **What Future for the West?**

This is not simply to assume a priori a kind of Western “supremacy,” or to suggest that without the Americans and the Europeans the world is somehow destined for barbarism. The new global players should be welcomed to the debate about, and decisions upon, global affairs from economic governance to global security. But competition for controlling the commanding heights of innovation, competitiveness, culture, and the hearts and minds of the people will continue to play a vital role in the unfolding history of nations. America and Europe combined continue to have the necessary ingredients for enduring success in the 21st century in a way that no other power bloc can rival.

Of course, we could also go on separate paths. There are convinced “Europeanists” and advocates of “America First.” And there are some interesting arguments for such options, too. Nonetheless, the challenges are too daunting and the perils too great for us not to take a closer look before simply giving up on the prospects for unity. “We either swim together, or sink separately,” as Jose Manuel Barroso, the president of the European Commission, aptly referring to the need for European solidarity. This applies equally well to cooperation between Europe and North America.

To achieve this end, a new narrative for the transatlantic community of democracies is today needed more than ever. The challenges of the 21st century can be better shouldered together. Some of

these challenges to our societies threaten the very basis of our way of life and the values upon which it is based. Some of these challenges come from abroad but others come from our own failures within.

Why should we believe the transatlantic link is as important today as it was when the enemy was at the gates? Simply put, because the values we share and believe important are not independent of the Western world that gave birth to them.

We believe these values to be universal. For a brief while it appeared that many in the world shared this opinion. The societal model based on freedom and human dignity, on competitive markets and social cohesiveness, and the rule of law and democracy that Europe and North America embody does in fact continue to be the most appealing to citizens worldwide and to the emerging global middle class. But that model, those concepts, and the values they are founded on are not immune from competition. If they are to remain attractive they need to be constantly rearticulated, and reaffirmed. The condition for that is that we stay together and vigorously promote them and defend them. If Americans and Europeans will not, who will?

### **A Structured Dialogue between North America and Europe**

To enhance the prospects for transatlantic renewal, a profound and honest strategic conversation between the decision-makers and the key intellectual and economic stakeholders on both sides of the Atlantic should be engaged in without delay.

We should start this renewed dialogue by honestly taking stock of what Europe and America have in common, but also where we disagree. Americans should stop asking Europe to do things that we are not yet ready to commit to. One can portray Europeans as being from Venus, as Robert Kagan famously put it, or having entered the post-modern stage in our history, but in all honesty you cannot ask Germans, after 60 years of deliberate demilitarization, to go to war in Afghanistan without an outcry from significant sections of German public opinion.

On the other hand, one can ask Germany (despite the expense of German reunification and the cost of EU enlargement to the East) to shoulder a larger share of the commitment in civilian projects, and capacity-building in national and local government in Afghanistan. And if the Dutch or Canadians or Poles decide they can't stay anymore, we should not wax poetic about the “domino effect” on the other European allies.

One also needs to consider that the Danish contingent in Afghanistan has had the highest casualties per soldier deployed. British and Canadian forces have also had a significant number of casualties. Fighting in places like Helmand and Kandahar was bound to increase the risk of casualties, but NATO allies made the choice to go in. Romania and other Central and East European countries also continue to play a significant role in Afghanistan and to pay with “blood and treasure” for values that are constitutive of what NATO is all about.

Americans should also stop (naively) believing that the current problems in the euro area represent the end of the single currency or even the beginning of the end of the unique political project that the EU has become. In the same spirit of conciliation, Europeans should stop pretending that opposition to America is the main reason for the existence of the European project.

Europe is, indeed, at a junction where structural problems of economic governance, sustainability of our economic and social models, sclerotic demographics, and uncertainty about the capacity to act as a single entity in world affairs could affect our draw for investments and competitiveness.

But if the goals of the Europe 2020 Agenda are met and the strategic recommendations of the Gonzalez Commission for a Future of Europe 2030 have an echo in policies adopted, we could very well see Europe emerging with its fundamentals strengthened.

A true economic union, not only a monetary one, is a foreseeable way out of the crises. Growth rates in the vast majority of the EU countries, including all eurozone countries and in particular Germany, are encouraging. Economists may have a lot to worry about as, still, do most governments in Europe. But Cassandras on both side of the Atlantic are certainly too quick to call for an end of the European model.

After all, are there not similar worries haunting contemporary America? Narratives about the rise of China and the decline of America seem to be as fashionable today as was the triumphalist boasting about America’s uncontested hegemony after the fall of communism and the demise of the Soviet Union.

If Japan (and Germany) were seen in the 1980s as the main competitors to American economic preeminence, China has taken their place, becoming, along with Saudi Arabia and a group of other emerging economies, the main creditors of the huge American deficits.

Economists even talk of an American version of the Japanese kudoka, the hollowing-out of the industrial and economic base due to the structural changes of the American and world economies. Global imbalances distort capital allocation, leading to unwelcome economic and political consequences. There is no way to continue to deny the economic laws of gravity. North America and Europe seem to draw different conclusions from the dramatic recession we just witnessed. And if the conclusions continue to differ, this will have profound strategic consequences for our nations, for our Alliance, and for the entire world.

This is why decision-makers in North America and Europe should make full use of the existing coordination mechanisms and encourage new ones, especially on global economic governance and reform of the international financial institutions. A coherent economic governance package in America and Europe will also be critical in the period ahead. The false dilemma between stimulus and austerity in America and Europe should be avoided by closer coordination between the United States and the EU, the Federal Reserve, the European Central Bank, and within the G7 format.

Also a structured dialogue between the U.S. Congress, the European Parliament, and national parliaments in the West should be put in place; new transatlantic business, defense, and technological roundtables should be initiated. Pandemics, environmental problems, and the fight against poverty all require various degrees of EU-U.S. cooperation. We should also continue to invest in our current and future intellectual bond, eventually creating a Leonardo-Columbus joint program on education and research. U.S.-EU summits should become major political events. 2011, after the Lisbon NATO summit, should be considered as the year for a renewed transatlantic narrative, making full use of the Polish presidency of the EU and the French G8 and G20 presidencies.

### **Values Still Matter**

For all of us in the West, a new definition of economic progress is needed after the crisis. The quality of life and not the unfettered accumulation of wealth will determine where talent will decide to reside. The social activists of the new generation are an odd combination of ultra-rich donors, new style politicians of various persuasions, and successful social entrepreneurs.

This applies to reforming education or public health but also school districts, employment etc. Moving beyond the venerable but dusty paradigms

established by Keynes and Friedman requires creative thinking and research on both sides of the Atlantic that would address fundamental shortcomings of modern market capitalism and the social systems designed to make it equitable, just, and ultimately livable. With the combination of reach and flexibility offered by new technologies and communications, we will see an accelerated trend toward integrated perspectives.

Moreover, a new and global consciousness is emerging that first showed itself on single issues such as environmentalism but is now becoming more and more a new language where values (and incidentally often Western values) are reused creatively. This is evident and transformational from Thailand to Kenya to Moldova. A good way to start in supporting a new shared and evaluative consciousness is the expansion of existing student exchange programs. Replacing the historical migration patterns that often linked the United States to Europe in a very personal way, these programs can create the basis for a new Western narrative.

### **Yes, Numbers Matter, but Quality Does, Too!**

So what of the much-talked-about new world order? The current thinking in most chancelleries and boardrooms in the Western world is that the ascent of the emerging nations is unstoppable. The aggregated numbers of populations and growth rates suggest that Western economies (North America, Europe, Japan, Australia, and New Zealand) as a proportion of global GDP will fall to under 50 percent in the next 20 years.

But history and political economy has constantly shown that progress is not linear. Other factors, such as technological advances, the quality of education and workforce, the human development indicators, and, yes, the quality of life, the vibrancy of civil society, and freedom do influence growth and social and economic progress in many ways, some of them unexpected.

In the global environment of the digital era — as attitudes, mores, and technologies change our lives at an incredible speed — talent, creativity, and ideas will more likely thrive in open societies rather than in controlled, state-capitalist societies. This may mean that the projections on the rise of China, for example, may need to be radically revised.

But we simply do not need to wait and see. Our fate is in our hands, too. A vast transatlantic agenda for growth and jobs should be initiated. If numbers do matter, then a free trade area will become a necessity. The promising start of the negotiations for CETA (Canadian European Trade Agreement)

can be used as a precursor for a similar EU-NAFTA new-generation agreement. A single market of 800 million affluent consumers should tear down some of the unnecessary rivalry that blocks closer transatlantic cooperation in science, technology, and the defense industries.

In time, such an agreement could eventually be extended to Russia, pending, of course, a strategic shift in that critical nation's attitudes toward NATO and the EU and the fulfillment of the WTO, OECD, and democracy and transparency rules. Access to such a vast market would give both the EU and NATO a credible alternative short of membership to these institutions for some important neighbors, be they Eastern Partnership countries or countries to the south of the Mediterranean. More generally, when talking about the emerging powers, there is often an over-simplification in treating them homogeneously as anti-American or anti-Western. Important economic asymmetries and inherent regional or geopolitical competition will divide the current BRIC quartet, which is unlikely to become a power bloc in its own right.

The future strategic landscape will be one of global competition, and of variable geometry. Potentially like-minded nations such as India and even Russia and other significant democracies such as South Africa should be welcomed in the global governance frameworks and institutions.

One should add to this mix the complicated relationship between the United States and China on the one hand and the EU and China on the other, and, frankly, the lack of serious coordination between Europe and the United States on key issues from human rights to trade, exchange rates, and intellectual property issues.

If China is the next superpower-in-waiting, no variety of G2 format is likely to be a solution, no matter how much the American deficit is financed by T-bills acquired by China or how much in the way of EU exports will be absorbed by this huge market. On the other hand, the combined potential and bargaining position of the United States and the EU working together could help create a new world order that recognizes the increased role of China and other players in the world economy, but also the corresponding obligations that China (and those others) will have to take on.

### **Security is Multifaceted**

In assessing scenarios of the emerging world order, it also needs to be more widely understood that even as geo-economics seems to many of us to be taking precedence over geo-politics, history has constantly

shown that there is no global pre-eminence without a credible military capability. “Wars of necessity” will continue to occur as the global competition for scarce resources intensifies and state and nonstate actors diversify their behavior and try to gain access to new, potentially destructive or disruptive technologies.

This will probably necessitate joint responses from the EU-U.S. or the EU-NATO, or a combination of the UN-EU-NATO and regional actors. Multifaceted security challenges will require better U.S.-EU coordination both on “hard” issues like terrorism, nuclear proliferation, and piracy, and on matters such as disaster relief (consider the case of Haiti or the huge devastation from the recent floods in Pakistan), pandemics, cyber-crime, and drug trafficking or illegal migration.

With all this in mind, there is no alternative to a far reaching and meaningful conversation in Europe and in NATO about the contribution of the EU to global security. And similarly, there is no alternative to the transatlantic Alliance for America’s ability to sustain and enhance its global reach. This is why the New Strategic Concept of NATO and the Lisbon Summit should go beyond the conclusions of the NATO Summit in Bucharest. In particular, it should give material substance to the Bucharest decision regarding the continuation of the Open Door Policy, with clear membership perspectives for the countries of the Western Balkans, and for Georgia and Ukraine. It would require implementation of some of the issues discussed in Bucharest such as on cyber defense and energy security. It should not be seen as an upgrade (however sophisticated) so much as a truly post-Cold War Strategic Concept for the 21st century.

When the Group of Experts appointed by Secretary General Anders Fogh Rasmussen to lay the groundwork for a new Strategic Concept for NATO presented its analysis and recommendations to the North Atlantic Council, former U.S. Secretary of State Madeleine Albright, Chair of the Group, underlined both the crucial role of current and potential member states and their desire to join, and the significance of Russia for the Alliance.

“NATO,” she said, “is the kind of organization that countries want and choose to join – not only because of what it does, but because of what it stands for and because of what its members believe.

“It is clearly in NATO’s best interest to work with Moscow,” she continued, “to build a cooperative Euroatlantic security order and to respond to such shared concerns as terrorism, nuclear proliferation, piracy, and drug trafficking...”

“Partnership ... is a two-way street,” Albright said, “but from the Alliance perspective, the door to cooperation with Moscow should remain open at all levels.”

Clearly, the concept is yet to be entirely accepted in Moscow. Apart from some impressive and relevant strategic cooperation between the United States and Russia on critically important nuclear reduction and security issues, there is obviously a need for a more genuine and comprehensive dialogue.

### **The Risk of Asymmetric “Resets” with the Emerging Powers is Real**

As far as the evolving relationship with Russia is concerned, the last two years were both promising and disappointing. Following the low point during and after the brief, bloody, and utterly unsettling conflict with Georgia in August 2008, things appeared irreparably broken. Since then, a new administration in Washington has changed the momentum. This is important, but the job is not yet done. If Russia and the United States were friends on Facebook, the relationship tag would probably say, “It’s complicated.”

As far as Russia’s relations with Europe are concerned, the subject could be a case study in how Europe needs to further improve its own policy coordination process in order to be a more reliable partner for U.S. foreign policy where it matters. From energy policy to options for the frozen-conflicts in its vicinity, Europe needs to raise its game.

NATO has a multiplicity of issues to contend with. Key among them will be the U.S. missile defense system to be deployed in Eastern Europe and the way it will be integrated in allied defense. Also, Afghanistan and its outcome will undeniably influence the future of the military role of the Alliance. A major failure would probably mark the end of NATO as an expeditionary force and would signal a return to the traditional Article V territorial defense arrangements. Such a decision would have dramatic consequences for the credibility of the Alliance and for the future balance of power in the world.

But despite the difficulties in Afghanistan and the ramifications for defense budgets of the economic crisis, it is worth noting that NATO has a lot going for it these days. Few important voices debate its relevance. This was not the case even a few years ago. The Alliance has passed the critical test of enlargement and is coping — if not easily — with a hugely difficult out-of-area combat mission.

Since August 2009, NATO has a new secretary general, and Anders Fogh Rasmussen means

business. With one eye on Afghanistan and another on the soon-to-emerge new Strategic Concept, the new secretary general has made reform a major element of his mandate.

Wherever those reforms lead, it needs to be recognized that disengaging from the major geopolitical issues would have dramatic consequences for our interests and for peace and stability in the world. The eventual withdrawal from Afghanistan should not be allowed to be seen as a signal of European (and American, for that matter) abandonment of the region. The struggle for Afghanistan is not only a fight against the Taliban. The task in Afghanistan is regional in scope, being influenced by, and in its turn influencing, the rest of Central Asia, Pakistan, China, India, and Iran.

At the next NATO Summit in Lisbon and at the December review in Washington, an economic strategy for the whole region should be considered, running parallel to the military one and reinforcing it. NATO needs a big idea around which to coalesce, and this could well be it.

As suggested above, if geo-economics seems to be the name of the game these days, the traditional geopolitical approach is far from being obsolete. America and Europe should treat these two dimensions together, bringing top strategists and military experts together with economists and business leaders to address them. If Europe wants to play a global political role to match its immense economic clout, it should try to identify global goals and to put up adequate resources to meet them.

To be clear, if Europe is to play a truly global role in the 21st century, it cannot be a secondary player in the Great Game of the Greater Middle East, leaving it mainly to the other big powers — the United States, China, Russia, or India. Irrespective of how difficult the task may be, European involvement in and contribution — political, economic, and military — to the stabilization of the tectonic plates of Eurasia should be an indispensable component of Europe's global ambitions.

### **Recreating a New Silk Road is One of the Great Projects of this Century**

A success in this respect would contribute to the stability of the world, creating a constructive and mutually beneficial balance among the big powers and liberating literally millions of human beings from the curse of history.

Building the big infrastructure projects in transport, energy, and communications would help Afghanistan

and Central Asia to reassert itself as the traditional hub of transport routes and trade links from Europe and the Middle East to the Indian sub-continent and the rest of South and Southeast Asia.

Everybody would stand to gain something. America and Europe would achieve their goal of promoting stability and a decent life for the citizenry — who would of course benefit themselves — in these mostly Muslim nations, thus diminishing the attractiveness of religious fundamentalism.

Successful economic development would also create new and interesting markets for Western exports, be it goods and services or ideas of freedom and democracy. Russia would see its own predominantly Muslim “soft belly” stabilized. Also, getting a stake for Moscow in the southern energy and trade corridor would act as a further strategic enticement for cooperation.

China would have access to the vast natural resources of the region, vital in fuelling its rapid growth rates. Such a project would also fit naturally with Turkey's historic interests and influence in Central Asia. The United States and the EU should encourage Ankara to play an active role in the effort and not fear the “Ottomanization” of Turkey. Ultimately, India would benefit from the stabilization of the border between Afghanistan and Pakistan, reducing the risk of conflict between the two nuclear powers of the subcontinent and boosting continental trade and transport. The traditional Middle Eastern countries would gain from this effort too. And, if a negotiated solution is to be found to discourage Iran's nuclear ambitions — an obvious threat to such a project as well as to peace and stability generally — inviting other regional or global powers to have a stake in the stability of the region would increase the pressure on Tehran, leaving it bereft of overt or covert support.

In short, any such project would promote fresh and exciting opportunities for commerce and investment, as well as enhanced security, from Casablanca to Shanghai and from Dubai to Mumbai. There is, in fact, some momentum already going in this direction. Major infrastructure projects are being financed by the World Bank, the Asian Development Bank, the EBRD, and the Islamic Development Bank. Japan and Korea have also supported trans-regional transport and infrastructure projects. Major corporations from all the above-mentioned players are currently plowing significant investments into the region.

If a coordination mechanism could be put in place to prioritize and discipline these institutional and private efforts, significant achievements could be

had as soon as the next 18 months or two years, at least as far as the key projects around and through Afghanistan are concerned. Only Europe and America together can pull off such a Herculean task, gradually convincing regional and other international players to come on board. Alone, this is too big a task for anyone.

### **Conclusion**

The challenges for the West are daunting. But the inevitable competition with other centers of emerging power is not the real challenge. The real challenge is to avoid staying idle and resting on the laurels of past victories and successes or, on the contrary, abandoning the battle before it is even joined. America and Europe need a new narrative and a new common project for the decades to come.

Bringing peace and stability to the world, constructively engaging the newcomers with the global leadership table, leading the conversation about a planet with less poverty, more opportunities for all, respectful of the environment, and managing the immense changes in the lives, work, and mores of people that scientific and technological progress are offering — this is what America and Europe should bring to the world.

The danger is not of being overshadowed by our competitors. The danger is of not being up to the task of reinvigorating our unique traditions of human dignity, democracy, and freedom.

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