TRANSWORLD

THE TRANSATLANTIC RELATIONSHIP AND THE FUTURE GLOBAL GOVERNANCE

Determinants and Features of International Alliances and Structural Partnerships

Thomas Risse

The end of the Cold War resulted not only in the collapse of the communist regimes in Europe but also in fluctuating transatlantic relations once NATO's foe was gone. Today, with the US struggling with a reeling economy and the EU mired in the Eurozone crisis, the number of possible trajectories of the transatlantic partnership has increased. By bringing in the discussion on security communities, this paper conceptualizes the determinants - interests, identities, interdependencies and institutions - of the transatlantic bond. Depending on the specific configuration of such determinants, the relationship between the US and Europe may be expected to alternatively drift apart, evolve into a functional cooperation, or transform into an enduring partnership.

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Transatlantic relations Security Communities International alliance

Introduction

The Transworld project posits three possible trajectories for the future of the transatlantic partnership:

1. The transatlantic relationship is drifting apart.
2. The transatlantic relationship is evolving along a pattern of functional/selective cooperation.
3. The transatlantic relationship is in transformation towards a different but enduring partnership.

Each of these trajectories conforms to at least one strand in contemporary international relations theory. The first trajectory - the gradual break-up of the transatlantic alliance - follows most closely realist predictions, according to which alliances are created against external threats and are likely to break apart when these threats have disappeared (Snyder 1984, Walt 1987). John Mearsheimer and Kenneth Waltz argued already twenty years ago that the end of the Cold War would spell, in the long-term, the death of NATO (Mearsheimer 1990, Waltz 1993 and 2000). Without a clear and present threat, there is no incentive to balance - hence, the transatlantic alliance will inevitably fall apart.

The second trajectory closely conforms to the arguments, which are mostly put forward by rationalist or "neoliberal" institutionalism, according to which alliances are cooperative endeavours to solve collective action problems based on joint interests (Oye 1986, Keohane 1989). With the Cold War over, the need for an enduring alliance against the Soviet Union is gone, but the United States (US) and Europe are still likely to cooperate to solve conflicts in a globalized economy, with regard to the global environment, or concerning international security threats such as transnational terrorism or the proliferation of weapons of mass destruction (Haftendorn, Keohane and Wallander 1999). Cooperation to solve collective action problems or to deal with global challenges can in turn produce functional spillovers in other areas.

In my view, the third vision with regard to the future of the transatlantic relationship can be better explained by drawing upon sociological institutionalism or an institutionalist version of social constructivism. At the same time, a social constructivist approach is not bound to this prediction; it can equally envisage either a functional

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relationship or the structural drift as a potential evolution of transatlantic relations. Due to the greater capability of social constructivism to consistently explain any of the three scenarios, this paper is premised on and articulates this third analytical standpoint.

According to sociological institutionalism or social constructivism, the transatlantic order is based on more than contingent overlaps of interests, and also constitutes more than just a traditional security alliance (Risse 2002 and 2008). The relationship between Europe and the US rests on a specific configuration of interests, institutions, and identities that resembles what Karl W. Deutsch called a "pluralistic security community" in the late 1950s (Deutsch et al. 1957, Risse-Kappen 1995, Adler and Barnett 1998). As such, the transatlantic security community ensures "dependable expectations of peaceful change" (Deutsch et al. 1957: 9) so that war among the transatlantic partners has become unthinkable and the security dilemma has been overcome. Deutsch's original argument about security communities focused on national policy-makers and political, economic and social elites. Yet, there is no reason to exclude attitudes and activities of ordinary citizens, particularly with regard to the formation of collective identities, a cornerstone of security communities. However, in the anticipation of the upcoming elites survey envisaged by Transworld, this paper will focus on the elite level, with possible further contributions on non-elite level if deemed necessary fot the validity of general arguments.

I use the "security community" perspective to develop four broad categories with which the state of the transatlantic community can be assessed and then I discuss how they have scored over the past ten to fifteen years. The categories in question are: interests, interdependence, institutions, and identities.

1. A Matrix to Conceptualize the Transatlantic Relationship

We can then conceptualize a security community as a configuration of interests, identities, interdependence, and institutions - the four "I" - which interact in various ways:

•   *Interests* are expressions of preferences held by political actors over states of the world (preferences over outcomes) or the means to achieve one's goals (preferences over strategies). From a constructivist perspective, interests are not determined by some exogenous material structure (or power), but contain interpretations and discursively constructed meanings of what is important to actors. As a result, interests (particularly with regard to ultimate goals to be achieved) are closely related to collective identities and values held by a group or community.

•   *Identities* are collective expressions of what is special about a particular group, its core values, social habits and codes of behaviour, and, more broadly, anything that contributes to identifying the group as distinct from others (the "out-groups) (Abdelal et al. 2009, Eder and Giesen 2000, Turner 1987). Since security communities, much as nation-states, are "imagined communities" (the members do not know each other personally) (Anderson 1991), collective identities are usually constructed with references to common values, shared historical experiences, collective institutions and the like. While identities are constitutive for groups and communities, they can vary in terms of strength and contestation.

•   *Interdependencies* are interactive relationships "costly to break" (Keohane and Nye 1977). Not every interaction creates interdependence, but interdependent relationships consist of continuous transactions from which actors accrue benefits while also incurring costs. In their seminal work on power and interdependence, Robert O. Keohane and Joseph S. Nye differentiate between "sensitivity" interdependence (which relates to the extent to which changes in one country or system affect its interaction partners) and "vulnerability" interdependence (concerning the material and ideational costs of alternative frameworks or of the breakup of the transactions). Interdependent relationships are likely to affect interests as well as identities, but the preparedness of actors to enter interdependent relationships is also affected by common identities.

• _Institutions_ are persistent rule structures that prescribe appropriate behaviour, enable or constrain behaviour (Keohane 1989, March and Olsen 1989). They can be formal or informal. Organizations such as NATO are a particular type of formal institution "with a street address" and a bureaucratic structure. However, the normative underpinnings of a security community do not need to be formalized (e.g. the Anglo-American special relationship). This also implies that institutions not only solve collective action problems, but translate common interests and collective identities into stable normative expectations and patterned behaviour.

If we identify the Atlantic order as a security community with a particular configuration of the four "I", the question arises about the extent to which the social structure of the Western world shapes material power or, conversely, is shaped by it. This question has substantial implications for the way in which we analyze the current situation and predict possible outcomes.

A first implication concerns the link between ideational and material factors. Material power and shifts in the global as well as the Euro-Atlantic power balance certainly matter. Yet, the more we theorize the transatlantic relationship as a security community, the more the importance of changes in the material power balance is mitigated by institutional and ideational factors. Social constructivists would add that the meaning of "material power" depends on its discursive construction. Take the contemporary discourse about the "rise of China" as an example: One can safely assume that the economic capabilities of the People's Republic of China have grown in recent years. What this means, however, is extremely controversial and open to interpretation. For some, the rise of China represents a challenge ultimately requiring a strategic balancing. Others see China primarily as an economic competitor, while there is also a group that perceives primarily business opportunities. In sum, there is widespread discussion of what a change in material capabilities actually means and how one ought to respond to it.

As a result, one must analyze changes in the institutional fabric of the transatlantic order and in the realm of ideational meaning construction (identities, values, norms, etc.) separately and assess their specific weight in determining the current state of the relationship as well as its potential evolution patterns. One cannot write the institutional and ideational components off the material factors that also shape the community.

Second, conceptualizing the transatlantic relationship as a security community does not preclude the possibility that it will either break apart abruptly or simply wither away. Earlier work, including my own (Risse-Kappen 1995), assumed to some extent that security communities are unlikely to break apart and are more stable than mere security alliances held together by a common threat perception. There is no theoretical reason, though, why security communities should survive longer than traditional alliances. If the underlying sources of a security community start shifting, a security community will undergo a crisis as well.

The main point here is that conceptualizing the transatlantic order as a security community rather than functional/selective cooperation or a traditional alliance directs our attention toward different causes for the survival or demise of such orders (see figure 1). While the most important drivers of a traditional defence alliance are the common security interests generated by perceived common threats, functional cooperation is primarily triggered by interdependence, most notably of an economic nature. In contrast, the most important cornerstones of a security community are collective identities and common values.

Common institutions play a very different role in each of these cooperative endeavours. Institutions are almost completely derivative of common interests in traditional security alliances. While they put some constraints on behaviour, they are likely to collapse when the common threat evaporates. In neoliberal institutionalism, with

its focus on functional cooperation, institutions are meant to solve inevitable conflicts deriving from interdependence. Their primary causal effect concerns constraints on behaviour. In contrast, sociological institutionalism, which largely informs the security community perspective, argues that institutions have constitutive effects, that is, they influence identities as well as interests. At the same time, collective identities and values emanating from them also influence the shape and underlying norms of institutions (this is what I mean by "mutually constitutive" in figure 1).

• Figure 1 | **Security Communities vs. Functional Cooperation and Traditional Alliances**

Elements	Security Community	Functional Cooperation	Traditional Alliance
Power and Security Interests	Interaction with degree of collective identity/ shared values	Derivative of interdepedence	Exogenously given; most important driver of cooperation
Economic Interdependence	Important	Most important driver of cooperation	Less important
Institutions and Law	Important; mutually constitutive to interests and identities	Important; Regulate activities, constrain and enable behavior	Derivative of interests; little causal effects
Identities and Values	Most important driver of cooperation	Less important	Irrelevant

Source: Author's own compilation

A decline in the degree of interdependence, in the institutional underpinnings, or in collective identities can trigger a crisis of a security community as much as a decline in the common threat can lead to the breakdown of traditional alliances.[1] In other words, if we witness a crisis of a security community, we have to look at the whole range of indicators and potential causes.

From a security community perspective, the transatlantic order would risk collapsing in that "extraordinary moment when the existence and viability of the political order are called into question" (Ikenberry 2008: 8). At such a critical juncture, the four elements that constitute a security community are put into jeopardy: power and security interests deviate, economic interdependence and market relations loosen, institutions and law lose legitimacy and effectiveness, values and political identity diverge. The transatlantic community would be in trouble when at least one of the four elements ceases to produce incentives to cooperate (or, worse, produces disincentives to do so). Note that these four elements of a security community are used both as indicators and as causes for the crisis, in the following sense. Since they are constitutive for the community, it is the degree and intensity of common interests, of interdependence, of shared norms, and of collective identity that reveals the strength of the relationship. At the same time, a reduction in the strength of at least one of these four elements will cause the relationship to weaken to the point that it may cease to be a security community (Peters 2006a).

The following sections suggest how one could measure the four "I's". This paper should be understood as a preliminary step towards the more detailed and methodologically more rigorous analysis that Transworld will be doing over the next few years.

2. Power and Security Interests

Conflicts of interest are an enduring feature of security communities as well as alliances. In fact, cooperative arrangements are meant to deal with conflicts of interests almost by definition (in harmony, there is no need for such cooperation mechanisms).[2] Thus, the peaceful resolution of conflicts of interest (which are a common in the history of the transatlantic

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1 One could argue, though, that security communities are ultimately more stable than traditional alliances, because they rest on more than one underlying source. As a result, a change in one of the ingredients might not trigger an all-out crisis, as is the case concerning a declining threat with regard to a traditional alliance.

2 In the language of rationalist institutionalism: mixed-motive games require institutions to deal with them which implies at least some degree of underlying conflict of interests. Cf. Keohane 1989. For an application to NATO see Haftendorn, Keohane and Wallander 1999.

partnership) is daily routine in a security community. A conflict in itself does not indicate a crisis. When conflicts of interest develop into a crisis, something extraordinary must be happening. I suggest that conflicts of interest escalate into a crisis when either of two conditions is met:

1. The various policy disputes cover such a broad range of issues that the existing institutions become overloaded and unable to handle them. To make just one example: during the 2002-3 transatlantic conflict over the US-led Iraq war, the North Atlantic Council (NAC) which was meant to manage the transatlantic security relationship, did not meet once for fear that it could not handle the conflict between the group of countries led by the US and the United Kingdom (UK), on the one hand, and the one spearheaded by France and Germany, on the other (Pond 2004).

2. The policy conflicts increasingly touch upon what either side believes to be a core interest. For instance, in spite of much discussion the transatlantic alliance has been unable so far to agree on whether its core mission should be global (as the US prefers) or rather regional with some global implications (as most Europeans would have it).[3]

As said above, the history of the transatlantic order is a history of recurring conflicts and crises, but rarely have we seen times when transatlantic policy disputes have covered such a wide spectrum of issues as today (Peters 2006a, Andrews 2005, Krell 2003). For years - and pre-dating the George W. Bush and Barack Obama administrations - Europeans and Americans have disagreed over questions such as climate change and other environmental issues. Human rights issues such as membership and powers of the International Criminal Court (ICC), the death penalty, and - most recently - the definition of torture or handling transnational terrorism have also proven controversial. In addition, the US and its European allies continue to disagree on many arms control agreements, from the treaty to ban landmines to the Comprehensive Test Ban Treaty (CTBT) on the prohibition of nuclear tests and the future of the nuclear non-proliferation regime. There is, moreover, no transatlantic agreement on how to reform the United Nations (UN) in general and the UN Security Council (UNSC) in particular. Europeans regularly complain about what they perceive as the US's half-hearted commitment to multilateralism. A whole range of transatlantic economic disputes also loom in the background (Scherpenberg 2008). Last but not least, the current Eurozone crisis has exposed deep disagreements between the Obama administration and some European capitals as to how to run the international economy and how to mix austerity and growth policies.[4]

Nonetheless, one should not overlook the fact that there remains a solid degree of transatlantic security cooperation. The US, NATO, the European Union (EU), and the Organization for Security and Cooperation in Europe (OSCE) are all active, sometimes in cooperation, in various post-conflict peace- and institution-building efforts, such as in Afghanistan and the Western Balkans. While the Cold War was mostly about joint planning and training as well as deterrence, in the following period the US and its European allies actually fought together in several military operations, more often than not under a unified command. The US and its European allies still cooperate rather closely on security matters, despite clearly diverging approaches to Middle Eastern questions such as the Israeli-Palestinian conflict, Lebanon, and Iran's nuclear programme. Last but not least, and in spite of diverging threat perceptions concerning the nature of the terrorist threat, transatlantic police and intelligence cooperation has grown over the last years and does not show signs of receding.

In sum, on the one hand, transatlantic conflicts of interest have both increased and deepened; some of these conflicts have touched upon core security interests and can therefore qualify as a transatlantic crisis. On the other hand, there are also many remaining core security interests warranting the preservation and even the enhancement of transatlantic security cooperation. In light of the above, the real question concerns not so much the origin of the conflict, but its outcome. Can the various conflicts of interest be solved within the existing transatlantic institutional framework, or could they lead to the breakdown of these institutions? And what if there is a spill-over from differences in threat perceptions to disagreement over values, as some have argued? Insofar as interests are a fundamental component of a security community, the extent to which they diverge or converge reveals much of the state of health of that community. Yet - and this is the bottom line of my argument - in order to determine the future direction of US-European relations the focus should be not so much on the number and magnitude of the disagreements, as on the functionality and effectiveness of conflict resolution mechanisms. This conclusion immediately raises the question of what incentives the security community members - the US and the EU member states - have to make conflict resolution mechanisms work. In part, such incentives may originate from security interests; in part, however, they depend on other factors linked to the the other "I's" identified in this paper.

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3 I owe this point to Tobias Bunde.

4 Even though there is also a deep intra-European disagreement about this point, pitching mostly Northern Europeans including Germany against Southern Europeans.

3. Economic Interdependence and Market Relations

If there is one area in which many observers still paint a rosy picture of the transatlantic community, this is their economic relationship (Hamilton and Quinlan 2005). It comes as no surprise that these authors conclude that economic interdependence can help overcome a period of policy crisis.

Two questions have to be asked when it comes to transatlantic economic relations:
1. How deeply integrated is the transatlantic economy, both in historical comparison and compared to other inter-regional relations? What about trade, investments, and capital flows as well as transatlantic supply chains?
2. Can economic interdependence provide the "super glue" that keeps the political relationship together?

While there is indeed continuing economic interpenetration across the Atlantic,[5] US dependence on transatlantic trade was much higher prior to World War I than in this age of globalization. And the growth rates for transatlantic trade pale in comparison with both US and EU trade with China and East Asia. In contrast, mutual foreign direct investment (FDI) has reached unprecedented high levels and the same holds true for capital flows. But FDI constitutes an ambiguous indicator for interdependence. On the one hand, deep commercial engagements of US firms in Europe and of EU firms in America increase the mutual stakes into each other's well-being. On the other hand, the motives for FDI - gaining market access and insuring against currency changes - indicate a lack of economic integration rather than proving it (Scherpenberg 2008). In a single and deeply integrated market such as the EU and increasingly, the North American Free Trade Agreement (NAFTA), FDI is less necessary. In sum, transatlantic economic interdependence and interpenetration, while strong, has not led to deep economic integration.

The second question - whether economic interdependence leads to peace or is irrelevant for security - is at the origin of an old battle between interdependence theorists and (neo-) realists, the former arguing in favour of the interdependence-peace correlation and the latter dismissing it (Waltz 1979). Unfortunately, we can draw few conclusions for our "super glue" question from this debate. First, the breadth and depth of "interdependence" and "level of conflict" are such macro-variables that the statistical results are highly dependent on the precise indicators that are chosen. Second, and more importantly, the "super glue" question is not really about war and peace, but about whether a strong economic relationship can prevent a political crisis from provoking the breakdown of a security community. It is vital to specify the dependent variable here. The functionalist interdependence argument concerns war and peace, while our dependent variable concerns the future of a much tighter cooperative relationship, namely a security community. Not even those who predict the breakdown of the Western order expect the US and Europe to go to war against each other (see below).

In sum and contrary to the conventional wisdom, the answer to the second question is, therefore, negative, irrespective of whether one shares a realist or an institutionalist view of international affairs. "Trade is no superglue," as Jens van Scherpenberg (2008) rightly puts it. Yet, an institutionalist perspective also offers a somewhat more hopeful outlook (McNamara 2008). It is not the economic relationship as such that might prevent the security community from breaking apart. Rather, it is the high level of institutionalized exchanges among transatlantic economic operators, regulators and lawyers that contain that risk. The causal mechanism relates to the effects of socialization on actors that keep the relationship on a cooperative track within more or less institutionalzed frameworks. From this perspective, institutions and norms of multilateral cooperation do not simply reflect the will of sovereign states. Instead, they contribute to shape, including through socialization processes, the international choices of states. As such, institutions constitute a fundamental aspect of security communities, and their legitimacy and effectiveness are good indicators of the state of health of such a community. Then, how are transatlantic institutions faring?

4. Institutions, Law, and Sovereignty

Many observers contend that for years the North Atlantic Alliance has been undergoing an existential crisis, which may lead to the "near death of the transatlantic alliance" (Pond 2004). After 9/11, the NAC invoked Article 5 of the North Atlantic

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5 In the classic formulation by Keohane and Nye (1977), interdependent relationships are "costly to break" for either side and characterized by mutually high sensitivity and vulnerability.

Treaty for the first time in the history of the alliance - and yet little happened. It was not NATO that intervened in Afghanistan to uproot the Taliban and the Al Qaeda terrorist network, but the US and a coalition of the willing, among them many European NATO partners. True, there was substantial intelligence exchange and Afghanistan became a NATO mission later on, but this did not actually transform into a renewed sense of commitment to the Alliance. When the Iraq crisis broke out, the NATO Council was utterly unable to manage divisions for the sake of the transatlantic security partnership. The NAC never discussed the conflict over Iraq, largely for fear that such an open dispute would lead to the collapse of the alliance.

If mutual consultation and collective decision-making are constitutive norms governing NATO (Risse-Kappen 1995), they were both severely violated in the 2000s - by both Americans and Europeans. Neither then French President Jacques Chirac nor then German Chancellor Gerhard Schröder bothered to consult with NATO before they declared their opposition to US intentions to invade Iraq. The Bush administration also kept NATO out of its own decision-making process (Pond 2004, Andrews 2005, Gordon and Shapiro 2004, Woodward 2004). Actually, the US administration went further. Its preference for "coalitions of the willing" was and is hardly compatible with the decision-making rules of a multilateral alliance that require consultation and serious efforts at joint decisions. The Obama administration has shown greater willingness to engage Europeans on matters in which both the US and the EU have a stake, but Europe has only produced minimal and irregular input, for instance concerning on US policy in Afghanistan.

The crisis seems to be confined to NATO's *political* structure in the sense that the North Atlantic Council has largely neglected its role as the prime manager of the transatlantic security relationship. At the same time, NATO as a *military* organization appears to be alive, even though the longstanding problem of burden-sharing - with the US regularly complaining about European insufficient levels of military spending - has grown so large as to hang over the Alliance's existence as a sword of Damocles.

In sum, a mixed and complex picture emerges with regard to the institutional settings of the transatlantic community as indicators for a transatlantic crisis. In the economic realm, a rather thin layer of formal bilateral institutions for transatlantic governance coexists with "thick" transgovernmental networks of experts, bureaucrats, and regulators. NATO continues to thrive as a military institution, while it has largely failed to manage the transatlantic political relationship. And the US and Europe disagree over notions of sovereignty and interpret international law differently, but they still share the same fundamentally positive outlook toward international law in general. Thus, the institutional framework of the transatlantic community is neither fully intact nor in tatters. Conflicts of interest are certainly a major cause of difficulty that transatlantic institutions, most notably NATO, have been experiencing. By the same token, residual transatlantic common interests are an important factor explaining the lingering resilience of transatlantic institutions. They are not, however, the only possible explanation. Common norms and values, as well as collective identities, are an equally essential feature of a security community.

5. Identities and Values

What about the sense of community, the collective identity and the values underlying the transatlantic community? Are Americans from pugnacious Mars, while Europeans seem to have once populated the war-averse Venus? (Kagan 2003) Unfortunately, reaching firm conclusions about transatlantic identities constitutes a methodologically rather difficult endeavour, since there is little agreement in the literature about what can be used as valid indicators for a "sense of community (Herrmann and Brewer 2004). Moreover, it is rather unclear how much collective identity is necessary for a security community to work. Studies of the EU have shown, for example, that identification with Europe as a "secondary identity" (nation first, Europe second) is sufficient to ensure strong support for European integration (Risse 2010). We lack comparatively sophisticated data on the transatlantic community to be able to reach firm conclusions. Yet, there is plenty of empirical evidence pointing to both lingering commonalities and potential cracks in the common value base.

American and European citizens belong to the same "Western civilization" (Fuchs and Klingemann 2008) when it comes to supporting democracy, human rights, and market economy in general (see figure 2 below). However, major differences between Europeans - particularly Germans and French - and Americans persist concerning fundamental issues such as social and economic rights and the role of the state in the economy. Americans tend to support libertarian ideas such as a hands-off approach to the national economy, self-responsibility, and civic engagement. In contrast, a majority of Europeans

prefers a strong welfare state providing social equality and solidarity. Europeans are more heterogenous themselves when it comes to fundamental values. Religiosity and national identification are cases in point. On this issue, for instance, Poland is much closer to the US than it is to its neighbour Germany or to France. Popular notions that Americans are generally more religious and less secular than Europeans should then be taken with a grain of salt. In fact, this is true only with regard to some Europeans, but not all of them.

Figure 2. **The European-American Value Space/ Cultural Map 1999-2004**

Note: the thick red line include all successor states of the Soviet Union as well as countries once part of the Communist bloc.

Source: Inglehart and Welzel 2005: 63. Retrieved from http://www.worldvaluessurvey.org/wvs/articles/folder_published/article_base_54.

In the *longue durée*, value differences between the US and Europe have gained in signficance, or at least have been given more visibility than similarities. Kagan's phrase on Martian-Americans and Venusian-Europeans is telling in this regard. As a result, a sense of mutual diffidence (if not resentment) has been gathering some steam, although it has not yet reached a breaking point. One should add that there is a long history of cultural anti-Americanism in Europe. Contrary to popular belief, anti-Americanism is not a new phenomenon, as its historical roots date from the time when the US was founded.[6]

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6 For a comprehensive overview on the various anti-Americanisms see Katzenstein and Keohane 2007.

This long tradition of anti-Americanism in Europe provides stereotypes that can be easily exploited by political elites. While European criticism of US foreign policy certainly does not constitute anti-Americanism per se, it can be fuelled by and, therefore, easily escalate into the latter. Something of the sort is also happening in the US, where 'Europe' has been increasingly associated, particularly by conservatives, with supposedly unsustainable welfare policies, irreligious tendencies and feeble foreign policies. Just to point to two recent occurrences: first, US Republicans opposed to President Obama's health care reform routinely compare the administration's programme to a fictional "European socialist health care" model centred on state provisions of health benefits. Never mind that there is a whole variety of health care systems in Europe and that a completely state-sponsored system is rather rare. Second and interestingly enough, the Obama campaign has recently attacked the Republican contender Mitt Romney by denouncing his austerity plans as "European" and, as such, potentially disastrous for the US. While a lot of this is campaign rhetoric, it is significant that both presidential campaigns appear to believe that playing on latent anti-Europeanism might help to score in a closely fought election.

Available data pertaining to the sense of community do not allow us to conclude that there is an urgent and immediate crisis in the value basis of the transatlantic relationship. Yet, there seem to be long-term developments and underlying currents rather than short-term crisis events that may eventually lead to that outcome. This evidence suggests that the collective identity of the transatlantic community rests on shakier grounds than Sunday speeches celebrating Western values pretend. In other words, the value differences between Europe and the US might have become salient enough to be politically exploitable. Anti-American stereotypes in Europe as well as anti-European sentiments in the US can easily make their way into political discourses on either side of the Atlantic.

Conclusion: A Lingering Crisis and Potential Outcomes

The short survey of the state of the transatlantic community given in this paper has yielded mixed results. When it comes to political interests and to threat perceptions, the transatlantic relationship seems to be in crisis. Regarding economic interdependence, the transatlantic area is still very highly interpenetrated, as the current Eurozone crisis and its repercussions for the American economy suggest. However, there seems to be little spill-over from economic interdependence to the political relationship (as the current disputes over how to deal with the crisis also suggest). A mixed picture emerges with regard to the institutional framework of the transatlantic community. NATO as a *political* institution is in crisis, since Europeans and Americans do not see eye to eye as to its future mission (global or regional). Moreover, strong institutionalization of the relationship between the US and the EU depends on the areas of cooperation, with the economic one being the strongest but in need of "reinvigoration" (Peterson et al. 2004: 7) and other areas of cooperation barely advancing beyond largely insignificant summitry. Other parts of the institutional settings remain largely intact, however, including NATO's military integration and, interestingly enough, including the mutual commitment to international law. Last but not least, while there seems to be no risk of an immediate breakdown in the sense of community, the collective identities and values beneath the transatlantic community are shakier than is often assumed.

In sum, the crisis scorecard does not sustain an alarmist picture according to which the transatlantic community is broken beyond repair. The emerging overall picture is one of a crisis underneath the surface that is lingering on, but might escalate into a full-blown and manifest crisis.

The transatlantic crisis can have three outcomes:[7]
1. It can lead to a breakdown.
2. It can lead to a more loosely coupled community or functional/selective cooperation.
3. The Atlantic order might be transformed and fundamentally re-structured regarding the norms and institutions of the relationship.

The first scenario could be considered unlikely from a "security community" perspective. However, the transatlantic relationship could well develop into a much looser relationship of temporary cooperation to solve common problems, of agreements to disagree in times of severe conflicts of interest, and of continuous "coalitions of the willing." In this case, we will probably witness a further de-institutionalization of the relationship, maybe even the breakdown of NATO. Charles Kupchan suggests in this context that the new Atlantic order could resemble the peaceful coexistence of the inter-war

7 For more information refer to Transworld project description at http://www.transworld-fp7.eu/?cat=5 and to Ikenberry 2008.

period (Kupchan 2002). Such a loosely coupled transatlantic order would nonetheless still leave the "democratic peace" intact (Russett 1993, Russett and Oneal 2001, Levy 2002). As long as the US and most European countries remain stable liberal democracies, they will not go to war against each other. The order will become far less cooperative, but the security dilemma will not emerge .Europeans will not feel threatened by American military power and, thus, will not be tempted to revert to traditional balancing behaviour. For all the talk about "soft balancing," a return to the classic military balance of power system that prevailed between the US and Europe during the 19th century remains unthinkable. The US and Europe will even cooperate on an ad hoc basis to protect mutual interests in the rest of the world.

The second crisis outcome scenario concerns some degree of adaptation or transformation that results in deeper changes in the norms and rules governing the relationship. There are several reasons why adaptation or transformation represent a likely outcome of the current crisis. First, the diagnosis of the current transatlantic crisis itself reveals that the security community is not beyond repair. Even the value gaps and the divergences over core interests have not given rise to strong demands for a transatlantic break up on either side of the Atlantic. Second, the value gaps including European anti-Americanism and the differences in the interpretation of key concepts such as sovereignty are held in check by other factors that keep the community together.

Let me spell out in more detail what transformation could mean. Transformation would first require adjusting the existing institutional framework of the community to the post-Cold War realities, including the new security environment. Adaptation of NATO, for example, would be premised on two facts of life in the transatlantic order: first, that US military power will remain unchallenged for the foreseeable future and, second, that the EU has a strong potential to rise as a foreign policy actor in its own right, if it manages to solve the Eurozone crisis (admittedly, a big "if"). Europeans would have to realize that the US needs NATO much less for its security needs than was the case in the past and that, therefore, there will continue to be circumstances in which the US will prefer to act alone rather than through NATO. The US, for its part, would need to realize that acting alone does not mean unilateralism. Both sides would then have to re-affirm the consultation rules of NATO including the requirement that the North Atlantic Council discusses upcoming conflicts *before* national governments take a firm stance.

Second, NATO is in need of redefining its mission. Defense of the North Atlantic area is no longer the core mission, since a threat to allied territory has all but disappeared. Europeans should accept that NATO today has a global mission, since most of the post 9/11 threats are global in nature. This does not necessarily mean that NATO should accept more members (though, why not think about accepting Australia, New Zealand, and Japan?). But it does mean accepting that "out of area" means "in area" today.

Third, adaptation of NATO cannot take place if the institutional links with the EU and its foreign policy apparatus are not improved. This does not only refer to the institutions of the Common Security and Defence Policy (CSDP), but to EU foreign policy more generally. When it comes to non-military means of conflict prevention, conflict resolution, and post-conflict peace-building, the EU has many more instruments at its disposal than NATO, even though it does not use them very often. A comprehensive transatlantic security strategy would require closer coordination between NATO and the EU than is the case today.

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The Project

In an era of global flux, emerging powers and growing interconnectedness, transatlantic relations appear to have lost their bearings. As the international system fragments into different constellations of state and non-state powers across different policy domains, the US and the EU can no longer claim exclusive leadership in global governance. Traditional paradigms to understand the transatlantic relationship are thus wanting. A new approach is needed to pinpoint the direction transatlantic relations are taking. TRANSWORLD provides such an approach by a) ascertaining, differentiating among four policy domains (economic, security, environment, and human rights/democracy), whether transatlantic relations are drifting apart, adapting along an ad hoc cooperation-based pattern, or evolving into a different but resilient special partnership; b) assessing the role of a re-defined transatlantic relationship in the global governance architecture; c) providing tested policy recommendations on how the US and the EU could best cooperate to enhance the viability, effectiveness, and accountability of governance structures.

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